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CORPORATE STRATEGY IMPLEMENTATION THROUGH STRATEGIC PROJECTS

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ABSTRACT

Anu Kaukiainen: Corporate Strategy Implementation through Strategic projects
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The consumer goods industry changes quickly, and corporations need to keep up with the speed of change, especially in implementing new strategic directions. According to previous literature, projects and programs are flexible ways of implementing strategies. However, practical management systems, monitoring, and roles and responsibilities are not studied in the consumer goods industry. Fast changing business environment and often complex organizational structures make consumer goods industry an interesting field to study. The flexible ways of working in strategic management are not broadly implemented in the industry, which makes the study relevant.

The case company has evolved from a holding company to an integrated consumer goods company in approximately a decade, which has caused confusion, misalignment of objectives, and lack of information flow about strategy implementation. Corporate strategy implementation has been only top management's responsibility, and corporate strategy and its implementation process are not visible to lower-level managers and employees. To face external challenges, the case company has organized more cross competence strategic projects, but there is no systematic way of managing them. The biggest problem for the case company is how to manage corporate strategy and its implementation in the new internal environment. Therefore, there is a need to study in the consumer goods context: 1) How can corporate management best lead and monitor implementation of corporate strategy? and 2) How should corporate management lead their strategic projects to deliver strategic changes efficiently?

An empirical study, including interviews inside the case company, a workshop and benchmark interviews, was done to examine strategy implementation and project management in the case company compared to literature frameworks. Based on the literature, results were categorized into issues related to corporate management, strategy implementation, strategic project management and portfolio management. The development plan for the case company was created by analyzing case company-specific problems inside the literature categories and then finding solutions for them based on benchmarks, internal recommendations and literature.

Based on the empirical study and the literature review, the case company should support more flexible and networked ways of working in strategy implementation. That requires defined strategic objectives, cross functional structure, and a new mindset in the organization. To deliver strategic changes efficiently, the case company needs to align targets on every level, give attention to strategic projects, engage more people in strategic planning, monitor strategic projects, manage project portfolios and do change management. Structure and monitoring bring more systematic ways of working and focus attention on managing the strategic projects. Through transparent communication, the case company can get all the employees to work towards common goals. Findings had similarities to previous literature, but elements of strategy implementation through strategic project management had different emphasis. In general, it was found that employees need to be engaged to strategy work, then plan the strategic content, and based on the strategy the management systems can be formed. This study leaves further research opportunities, for example how to align strategic targets throughout the complex organization.

Keywords: Corporation strategy, strategy implementation, management system, strategic project, project portfolio management, control system

The originality of this thesis has been checked using the Turnitin Originality Check service.

TIIVISTELMÄ

Anu Kaukiainen: Konsernistrategian jalkauttaminen strategisten projektien kautta
Diplomityö, 116 sivua, 5 liitettä
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Kuluttajatuotemarkkina on hyvin muutosaltis, mikä vaatii toimialan yrityksiltä nopeaa reagointia, varsinkin strategisissa suunnanmuutoksissa. Aiemman tutkimuksen perusteella strategiset projektit ja hankkeet ovat joustava tapa reagoida tehokkaasti strategisiin muutoksiin ja jalkauttaa konsernin strategiaa. Kuitenkaan strategian jalkauttamista edesauttavia johtamisjärjestelmiä, strategisten hankkeiden seurantaa ja tarkempia rooleja ei ole tutkittu kuluttajatuotetoimialalla. Nopeasti kehittyvät markkinat ja usein monimutkaiset organisaatiorakenteet tekevät kuluttajatuotetoimialasta kiinnostavan tutkimusalueen. Strategisen johtamisen joustavia työskentelytapoja ei ole laaja-alaisesti otettu käyttöön toimialalla, mikä tekee tutkimuksesta oleellisen.

Tutkimuksen kohdeyritys on muuttunut viimeisen vuosikymmenen aikana täysin holdingyhtiöstä integroiduksi kuluttajatuoteyritykseksi, mikä on aiheuttanut sekavuutta organisaatiossa, epäjohdonmukaisia tavoitteita ja tiedonannon puutteellisuutta strategian jalkauttamisessa. Konsernin strateginen johtaminen ja strategian jalkauttaminen ovat olleet vain ylimmän johdon vastuulla, eikä keskijohdolla taikka työntekijöillä ole ollut lainkaan näkyvyyttä strategian jalkauttamiseen. Vastatakseen ulkoisiin haasteisiin, kohdeyritys on aloittanut rakentaa strategisia hankkeita, jotka perustuvat monialaiseen yhteistyöhön. Kuitenkaan hankkeille ei ole luotu yhteneviä johtamiskäytäntöjä. Kohdeyrityksen yleiseksi ongelmaksi voidaan siis todeta epäselvyys konsernistrategian jalkauttamisessa muuttuneessa toimintaympäristössä. On siis tarpeen tutkia kuluttajatuote toimialalla: 1. Miten konsernin johto voi johtaa ja seurata konsernistrategian jalkauttamista? Ja 2. Miten konsernin johto johtaa strategisia projekteja tehokkaan strategisen muutoksen varmistamiseksi?

Empiirisellä tutkimuksella, joka sisälsi yrityksen sisäisiä haastatteluja, työpajan ja vertailuyrityshaastatteluja, tutkittiin mitä erikoispiirteitä kohdeyrityksen strategian jalkauttamisessa ja siihen kytkeytyvissä projekteissa on suhteessa olemassa olevaan kirjallisuuteen. Tulokset jaettiin ongelmakategorioihin: korporaatiostrategia, strategian jalkauttaminen, strategiset projektien johtaminen ja projektiportfoliojohtaminen kirjallisuuden perusteella. Jakoa kategorioihin käytettiin läpi tutkimuksen. Kehittämissuunnitelma luotiin kohdeyritykselle analysoimalla kirjallisuudesta saatujen kategorioiden avulla konsernin ongelmia ja kehityskohteita. Ratkaisuja ongelmiin luotiin kirjallisuuden, sisäisten kehitysehdotusten ja vertailuyrityshaastattelujen avulla.

Empiirisen tutkimuksen ja kirjallisuuden pohjalta kohdeyrityksen tulisi tukea verkostomaisempia työskentelytapoja strategian jalkauttamisessa. Tämä edellyttää strategisten tavoitteiden tarkempaa määrittelyä, toimintojen rajat ylittävää yhteistyötä ja ajattelutapojen muutosta organisaatiossa. Edesauttaakseen tehokasta strategisen muutoksen jalkauttamista, kohdeyrityksen tulisi kohdentaa tavoitteet jokaiselle organisaatiotasolle, lisätä huomioarvoa strategisille projekteille, osallistaa enemmän henkilöitä strategiseen suunnitteluun, seurata strategisia projekteja, hallita projektisalkkua ja tehdä muutosjohtamista. Strategian jalkauttamisrakenne ja seuranta tuovat struktuuria ja oikeanlaista panostusta strategisten hankkeiden johtamiselle. Löydökset ovat linjassa aiemman kirjallisuuden kanssa, mutta elementeillä konsernistrategian jalkauttamisessa strategisten projektien kautta oli eri painoarvoja. Yleisemmin tutkimuksessa havaittiin, että työntekijät tulee ensin osallistaa strategiatyöhön, sen jälkeen suunnitella strateginen sisältö ja niiden pohjalta muodostaa johtamisjärjestelmät strategian jalkauttamiselle. Tutkimus jättää jatkotutkimusmahdollisuuksia esimerkiksi miten strategiset tavoitteet linjataan läpi organisaation.

Avainsanat: Korporaatiostrategia, strategian jalkauttaminen, johtamisjärjestelmä, strateginen projekti, projektiportfolion hallinta, seurantajärjestelmä

PREFACE

My five-year-long university journey is now coming to an end. Writing the thesis has been a long and challenging project with many ups and downs. For sure I have learned a lot during the process. I am grateful for the support I got during my studies and during the thesis process.

I would like to thank the case company for the interesting thesis topic and the amount of support I got. I especially want to thank my supervisor for weekly support and ideas, which really kept me focused and motivated. Together we set ambitious targets and you helped me to achieve them. Also, I want to thank all the internal people that participated in the interviews and gave their ideas openly to me.

A big thanks belongs to my examiner Professor Miia Martinsuo from the university. The amount of feedback was amazing, and it really helped me to go forward with this thesis. Also, I want to thank the other examiner Professor Saku Mäkinen for interest and feedback on the thesis.

Most of all I want to thank my friends and family for the support during spring 2019 and during all my university years. Thank you, my beloved Johannes, for giving me instructions and motivation during the whole process. Without you I would not be finishing my studies.

Helsinki, 28.6.2019

Anu Kaukiainen

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LIST OF ABBREVIATIONS

BSC	Balanced Scorecard
EES	Employee Engagement Survey
EVM	Earned Value Management
HR	Human Resources
IT	Information Technology
KPI	Key Performance Indicator
NPD	New Product Development
M&A	Mergers and Acquisitions
PMO	Project Management Office
PPM	Project Portfolio Management
R&D	Research and Development
ROI	Return on Investment
SBU	Strategic Business Unit
Q&A	Questions and Answers

1. INTRODUCTION

1.1 Background of the Study

Every corporation has a strategy, performance targets, and other measurements, but the most difficult part is implementing the strategy (Neilson et al. 2008). Corporate strategy means a set of unique activities that guides critical choices and adds value to achieve the corporation's mission. Strategy implementation means implementing strategic objectives. Ninety percent of corporations have difficulties in their strategy implementation (Morgan et al. 2007 pp. 62-63) and 66% of corporate strategies are never implemented (Johnson 2004). Every organization is different and therefore different strategy implementation, leadership and tools are needed. How to choose the best way to implement strategy and its strategic projects is still often unclear for corporations. Strategy can be implemented with projects and programs (Hyväri 2016).

A strategic project is a corporation-wide, important project that fulfills strategic objectives. According to Standish Group's 2009 report, statistics show that only 32% of projects succeed in reaching their targets; 44% of projects get challenged with budget, time or scope; and 24% of projects fail. The biggest factor contributing to project failures is lack of alignment with corporation strategy (BIA 2010). Projects are implemented without justified value-added reasons or reference to strategic objectives (Calabrese 2013). Therefore, project portfolio management has secured a place in efficient corporation strategy implementation. The project portfolio involves controlling and evaluating multiple projects that use the same resources and have similar strategic goals (Martinsuo 2013). Projects are a quick and easy way to achieve changes in the business environment (Hazır 2015).

The consumer goods industry is very fast moving, where consumer trends shape the industry. In the shift from products to experiences, consumer insights play a critical role. Therefore, the consumer goods industry is very dependent on consumer behavior and fast reactions to changes in the environment (Förster et al. 2014). Consumer goods corporations often base their competitive advantage on, for example, brand, sales channels, marketing or price. Based on Homburg et al. (2004), market orientation, especially in premium product differentiation strategy, plays a key role in strategy implementation success. Global corporations in the consumer goods industry have difficulties keeping up with changes in the competitive environment, due to difficulties with strategic focus, using customer data and ability to change direction (Smith 2009). Consumer goods companies are not project-based companies; therefore big strategic projects are not a self-evident way of working. Consequently, the project approach in strategy implementation is a good option for the consumer goods industry, but it needs to be further investigated.

Looking more closely at strategy implementation through strategic projects in a consumer goods context is both challenging and important. Implementation of strategy is crucial for a company to survive and it is important to understand the effects of relationship in strategy implementation. Researchers have noticed that there is not a dominant corporate strategy implementation framework (Saunders et al. 2008). Consumer goods context in strategy implementation is not a well-researched topic, due to the industry's being complex, full of different size companies and changing at a fast pace. Therefore, there is interest in studying the major factors of strategy implementation in the consumer goods industry. Corporate strategy and project management are well-researched topics, but still there is confusion on strategy implementation through projects (Morris, Jamieson 2005). In strategy implementation, the roles of project management and portfolio management are often unclear (Morris, Jamieson 2005). Based on Shenhar (2004), project management is evolving quickly and today's dynamic and global business environment requires new ways of making projects into strategic tools. All in all, the topic of this research is very relevant in academic discussion and in real-life corporation management.

This Master´s thesis is done in cooperation with a case company. The thesis is a link to ongoing strategy work at the case company. The topic comes from the company's need and the writer's own interests.

1.2 The Case Company

The case company is a big consumer goods corporation with more than ten globally known premium brands and more than 300 years of heritage. Brands mostly use premium product differentiation strategy. Different brands in the corporation have slightly different approaches to management; some brands are very brand-led and some very product- and operation-focused. That makes it challenging to find one single way to lead strategy throughout the organization.

The case company has focused on building common global platforms and processes in its 2008–2017 strategy. The case company set a clear target to grow in its 2018 strategy and redefined strategic priorities in its 2019 strategy. It wants to grow faster than the market while maintaining profitability in the long term. How to execute the new 2019 strategy is still partly unclear. The Group Leadership Team has set 11 strategic cross competence strategic projects to ensure growth in the future, but they have not set the implementation plan nor prioritized the projects to allocate resources. The company has had problems with communicating the strategy and its key strategic projects to people that run the actual projects. The case company is a matrix organization—that is, not project-driven. In addition, strategic business unit (SBU) strategies, budgets and corporate strategy are not fully aligned and that causes confusion among senior management. There is a need to create a structure to support and monitor the 11 strategic projects in order to implement corporate strategy efficiently.

1.3 Research Objectives, Questions and Scope

There is a need for reshaping the corporation's management practices for strategic projects. The first objective (1) of this research is to find how corporate management should implement strategy through managing their strategic projects in the consumer goods industry context. The second objective (2) of the research is to create a framework for monitoring the strategy implementation and strategic projects, and the third objective (3) is to define clear roles and responsibilities for corporate strategy implementation and monitoring.

This study is going to make a deep dive into corporate strategy in global branded consumer business. This thesis aims to understand how corporate management leads implementation of corporate strategy and leads their strategic projects. The thesis brings new understanding of how strong the link is between corporate strategy and different methods of managing strategic projects. Smith (2009) has noticed that strategy implementation is often seen as an elusive management practice and senior managers are disappointed with their results. This thesis shows how disciplined implementation of strategy can be effective and beneficial for a global corporation.

Based on research objectives, the problems the corporation faces, and academic interest, there are two major research questions.

1. How can corporate management best lead and monitor implementation of corporate strategy?
2. How should corporate management lead their strategic projects to deliver strategic changes efficiently?

Questions are answered based on the literature review, benchmark and active research. Empirical research consists of interviews of various corporate and senior leaders, workshops, and meetings, and the aim is to understand the case company's current state and needed improvements. Literature review helps to understand the link between corporate strategy and project management. Differences and best practices of corporate management system, corporate strategy, and strategic project portfolio management are analyzed based on benchmark.

There are a few assumptions in the thesis. The first assumption is that the corporate strategy and business model are preset and there is no need to change those. Strategy is based on strategic priorities and projects. The thesis tries to understand how the existing corporate strategy affects the management system and strategy implementation. This study does not go into detail as to how strategy should be formed or what is a right strategy. It answers the question "What are the next steps?" after corporate-level strategy is formed and addresses how to control the progress and outcome. Technology strategy, new product development (NPD), and information technology (IT) projects are not part of research boundaries.

The scope of this study is a global corporation with well-known consumer brands that does not normally operate as project business. The study does not go into details about different management tools or structures such as project management offices or change management. The thesis tries more to focus on the hard side of strategy implementation, meaning the structure and control system, rather than the soft side (for example, leading change).

1.4 Content of the Research

In the literature review, key concepts are presented to give the reader a basic understanding. Research questions are answered based on current literature, first going into more details with strategy implementation and then to project management. Synthesis after the chapter summarizes the key development area in strategy implementation and monitoring based on literature.

Chapter 3 presents the research methodology and materials used in the empirical study. Key research methodologies are benchmark, internal interviews, and workshop to answer research questions. Internal interviews are conducted to gain understanding of the current state and improvement needs in the case company's strategy implementation. Benchmark tries to find best practices in strategy implementation monitoring. All in all, the study is done as an action research and the data is qualitative.

Results from the interviews and benchmark are presented in Chapter 4. Results are organized based on literature context to see the similarities and differences between the literature and empirical data. Based on the results, priorities for further development are analyzed and presented.

Empirical findings and literature are then fitted together in the discussion chapter. Development plans are created by fitting literature and action research findings together to create the best solutions for the case company. Recommendations for a strategic project control system and other improvements are discussed.

Chapter 6 concludes the study by analyzing whether the study achieved its objectives. The study's academic relevance is analyzed and its practical implications for other companies are presented. Research limitations are discussed, and further research recommended.

2. LITERATURE REVIEW

2.1 Key Concepts

Answer to research question can be divided into four categories based on Kaplan and Norton (2008): develop corporate strategy, translate strategy into action, lead strategic projects and monitor and learn. Corporate governance and management facilitates this system. Figure 1 presents how the categories link with each other in the literature review context.

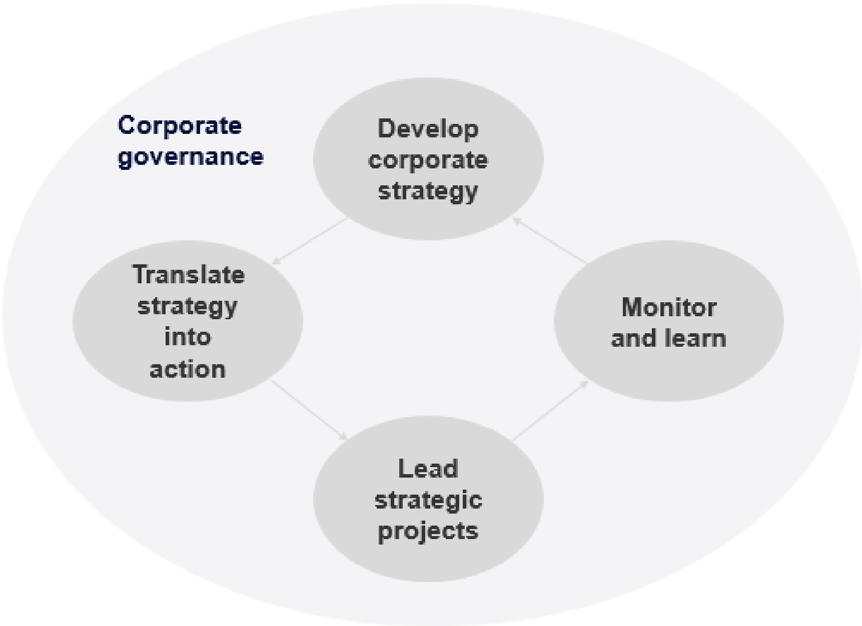

Figure 1 *Linking literature review topics (modified from Kaplan and Norton 2008)*

Context of the study is managing this Figure 1 loop in a corporation that is operating in global consumer goods industry. Corporate strategy creates the foundation for corporation to operate and set priorities. Based on strategic priorities corporate strategy is translated with leadership and structure into action, and furthermore into corporate wide strategic projects. The first two areas of Figure 1 are viewed in chapter 2.2. Chapter 2.3 goes into details how corporation manages and executes their strategic projects and how they should be monitored. Literature review chapter ends with synthesis. To better understand the topic of the study key concepts: corporate governance and management, corporate strategy, management control system, strategic project management and project portfolio management are explained in chapter 2.1.

2.1.1 Corporate Governance and Management

Bowman and Helfat (2001) argued that corporate governance has gained more importance in business management due to globalization and competition. Also, Rosenzweig et al. (2003) said that technology creates new opportunities for businesses and increases its importance for internal integration. Neilson et al. (2008) discussed that based on market intelligence corporate management needs to identify patterns across business units and coordinate functions accurately. Parnell (2003) earlier showed that identifying patterns and changing direction based on the patterns can create competitive advantage for a corporation. In consumer goods industry corporations are often global and multi-branded organizations that need to have a centralized management to efficiently run their operations (Smith 2009). Therefore, it can be said that managing the whole corporation is necessary and important.

Corporate governance ensures that different parts of organization goes into right direction and it manages the whole Figure 1 system. Shailer (2004) defined corporate governance as the mechanisms, processes and relations by which the corporations are controlled and directed. Corporate governance defines the distribution of rights and responsibilities across functions and decision-making procedures for corporate affairs (Shailer 2004). Corporate governance gives the higher order structure, roles and responsibilities to whole organization.

Corporate management instead means the people and procedures in corporate governance decision-making. Corporate management design needs to have a link between corporate strategy (Johnson et al. 2009 p. 232). Corporate management defines the strategy in top level, manages businesses and brand portfolios, launches strategic initiatives and creates management systems. Kaplan and Norton (2008) reminded that corporate management needs to ensure that the organizational model and management system are in line with the corporate strategy**.** In addition, corporate management needs to ensure parenting advantage, what means why different businesses and brands are under the same roof (Johnson et al. 2009 p. 141).

Recent academic literature states that the industry is a secondary variable in corporate governance performance (Bowman, Helfat 2001). In achieve the roles and targets of corporate governance, corporations need to have a clear approach to how they create value and demonstrate that they create more value than they cost (Johnson et al. 2009 p. 141). Value adding activities are, for example creating strategic vision, facilitating synergies, coaching managers, providing central cervices & resources and intervening (Johnson et al. 2009 pp. 141-142). In real life corporation can also inadvertently destroy value. According to Johnson et al. (2009 pp. 142-143) adding more management cost, adding more bureaucratic complexity and obscuring financial performance are value-destroying activities that corporation parent should avoid. Corporate parent should support the business units not audit them (Neilson et al. 2008).

2.1.2 Corporate Strategy

Strategy is often divided into corporate, business and operational strategy (Hunger, Wheelen 2010). Corporate strategy is the highest-level strategy of the organization. Recent understanding is that corporate strategy really matters based on Bowman and Helfat (2001) variance decomposition study. However, there are different definitions of corporate strategy in academic literature. They are summarized in Table 1.

Table 1 *Different definitions of corporation strategy in literature*

Reference	Definition
(Peteraf 1993)	Corporate strategy means utilization of common resources among businesses within the firm.
(Grant 1995)	Corporate strategy means how businesses are tied together.
(Porter 1996)	Strategy creates unique position, helps to choose what to do and what not to do, and it creates the fit between corporations' activities.
(Morris, Jamieson 2005).	Corporate strategy is defined as a way of thinking how an organization's goals and objectives will be achieved.
(Johnson et al. 2009 p. 6)	Corporation-level strategy defines the overall scope of the organization and how to create and add value in different parts of organization.
(Hunger, Wheelen 2010)	Comprehensive plan explaining how corporation will achieve its objectives and mission. Describes overall direction and attitude towards growth.
(Sull et al. 2018)	Corporate strategy is the set of choices that diversifies corporations from each other and choices that create and capture value across their business over time.

From Table 1 can be seen the two different viewpoints of corporate strategy. Peteraf (1993), Grant (1996) and Johnson et al. (2009) focused more on how the parts of the corporation tie together to create value. Instead Porter (1996), Morris and Jamieson (2005), Hunger and Wheelen (2010) and Sull et al. (2018) saw corporate strategy more as a common objectives and choices to have the common direction for the corporation. Research on corporate strategy is not often limited to certain industry. Therefore, all the definition in Table 1 can be generalized to consumer goods industry. Also, Vanneste (2017) meta-analysis research proofed that there is no correlation between performance and industry.

In this thesis corporate strategy is defined, similarly to Porter (1996), Morris and Jamieson (2005), Hunger and Wheelen (2010) and Sull et al. (2018) viewpoint, as a set of unique activities that guides critical choices and adds value to achieve the corporation's mission. In addition, corporate strategy creates the foundation on how the different parts of businesses are tied together, and it defines the common direction and scope of the organization, but it is not the essence of corporate strategy. It gives direction how to utilization of the common resources and developing them to right direction. Corporate strategy should also formulate and implement major goals and strategic projects taken by the corporation's top executives on behalf of owners (Nag et al. 2007). Corporate strategy is necessary due to it affects profitability of the whole corporation (Bowman, Helfat 2001). Often the top leaders struggle with corporate strategy because they lack clarity on how different parts of corporation fit together and create economic value (Sull et al. 2018). Therefore, corporation need to find balance between corporate strategy and business strategy. Business strategy is commonly understood as SBU level improvement of the competitive position of corporations offering (Hunger, Wheelen 2010).

There is a common understanding that corporate strategy needs to be clear to execute it efficiently (Sull et al 2018; Adamides 2015; Morris, Jamieson 2005). Clear corporation strategy guides through the Figure 1 loop and is the glue between operations across functions.

2.1.3 Management Control Systems

Based on ISO (2019) "*A management system is the way in which an organization manages the inter-related parts of its business in order to achieve its objectives*.". Objectives vary between organizations and they relate to topics like product quality, operational efficiency, health and safety and environmental performance (ISO 2019). Also, strategic management needs a management system (Kaplan, Norton 2008). Based on Morris and Jamieson (2005) a corporation needs to understand their management system and the position of diriment parts within it, for example project management. Management system sets a structure for actions to happen in a certain way.

The important part of management system is the control system that relates to the performance management and in its key performance indicators (KPI) or other measurements. Control systems includes measuring and monitoring functions and critical variables by top management (Simons 1994). Simons (1987) defined management control system as "*the formal, information-based routines and procedures used by managers to maintain or alter patterns in organizational activities*.". According to

Gimbert et al. (2010) performance management systems means financial and non-financial metrics that support the organizations decision-making process by gathering and analyzing performance information and presenting the overall view.

Based on Simons (1994) longitudinal study control systems are important for managing transformation and strategic changes. In strategic changes control systems are used to formalize benefits, define and measure performance indicators, set boundaries on behavior related to strategy, motivate and discuss about uncertainties in strategy implementations. In addition, control systems are used by top managers to form implementation timetables and targets, communicate agendas and ensure enough attention to the strategy implementation. (Simons 1994)

2.1.4 Strategic Project and Program

A project is a unique and temporary endeavor, that has a certain limited scope, budget and is implemented within a specific time window, supposed "*iron triangle*" (PMI 2000). A corporate strategic project has an objective to make a change in ways of working, guide strategy into new direction, reach a longer-term target etc. new business opportunities (Morris, Jamieson 2005). In this thesis a corporate strategic project is defined as a corporation-wide important project that fulfills strategic objectives. Non-strategic project does not have corporate wide strategic objectives, or the size and impact of the project is irrelevant to overall strategic direction. Strategic projects are initiated from corporation's strategic priorities, and they are part of strategic project portfolio. Strategic projects desire cross functional and temporary organizations, where project tasks are carried out (Thiry, Deguire 2007). Hyväri (2016) added that a strategic project should reflect the internal and external environment in which the organization competes, and match it with the suitable resources. Projects have two-way relationship with the corporate environment in which they evolve (Morris, Jamieson 2005). Strategic project success can be measured with the "*iron triangle*" and on the impact on delivering strategic goals (Alsudiri et al. 2013). Shenhar et al. (2001) explained four project evaluation dimensions: project efficiency, impact on the customer, business success and getting ready for the future. These can be used to evaluate strategic projects.

Corporate strategic projects can be similar in different industries. Often corporations face similar problems, such as need for releasing working capital for future investments. The project topics and scope relate to the industry and geography. In fast changing consumer goods industry companies are forced to be fast with changing their direction. NPD projects are not considered as strategic project in consumer goods industry, due to NPD is everyday activities in corporations.

Corporate strategic projects have similar aim than strategic change programs. According to Lehtonen and Martinsuo (2008; 2009) change program means set of cross-department projects that have strategic objectives, but they are bigger in scope and longer in duration than a projects. A program consists of multiple projects. The role of parent organization or corporate management varies between change program and strategic project. According to Lehtonen and Martinsuo (2009) in change programs a corporate parent has an active role as the target setter for the change. In strategic project the role of corporate parent is more the facilitator of the change. According to Pellegrinelli (2011) ontology study program management is up-scaled version of project management and the two models offer comparison, choice and flexibility. Corporate strategic projects can be compared to a change programs because both are planned to deliver strategic objectives and they need cross functional co-operation. In addition, in project management literature projects and programs are grouped together, they usually have similar themes, concepts, language and techniques (Hyväri 2016; Pellegrinelli 2011). Therefore, this thesis will critically use change program literature.

2.1.5 Strategic Project Management

The strategic project management is part of the Lead strategic project and Monitor and learn part in Figure 1. Artto et al. (2008) defines project management as management methods aim to reach the project goals and objectives. Patanakul and Shenhar (2012) noted that project management should not only focus on delivering project on scope, budget and time, but to focus on meeting corporate wide strategic objectives. Project management includes entire project life cycle from project selection criteria to project completion and using project results. Project life cycle means the chain of phases where ideas, expectations and opportunities are identified, the project is executed and finished. Project always has a start and an end. (Artto et al. 2008). Figure 2 presents typical project management phases.

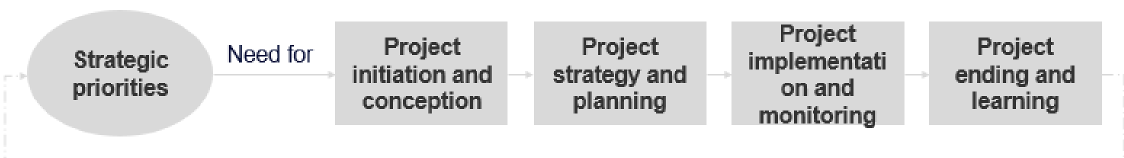

Figure 2 *Typical project management phases (modified from Artto et al. 2008)*

Original Artto et al. (2008) project phases include using the project results as a last step, but it is combined to project ending and learning -phase to have more simplified figure. Research show that projects are a structured way to driving business changes, and their success often transfers to business success (Serra, Kunc 2015). Hyväri (2014) stated that senior management cannot accomplish a strategic transformation without getting deeply engaged in project management. Morgan et al. (2007 pp. 62-63) reported that many leaders and strategists have not learned the language of project management. Englund and Graham (1999) found that project form is a good way to deliver customer-driven results. Change programs cannot be managed the same way as normal projects, due to strategic importance (Lehtonen, Martinsuo 2008). Also, corporate wide strategic project needs special attention from the corporate management to ensure efficient execution. Therefore, corporations need to ensure success of individual strategic project to efficiently execute their strategy and turn corporations vision into reality (Serra, Kunc 2015). To ensure the success of a certain project clear targets needs to be set to each project. It is important to evaluate the benefits of the strategic project to ensure its importance (Serra, Kunc 2015).

Corporate strategy should guide the project management. Aubry et al. (2012) and Hyväri (2016) presented an organizational project management framework for strategy execution that unitizes portfolio, project management and organizational enabling practices to deliver strategy to gain better results and competitive advantage (OPM3 2013; Hyväri 2016). Every strategic project should be coordinated, controlled and monitored the same way cross corporation (Aubry et al. 2012). Every project should have the similar structure for decision-making (Aubry et al. 2012). Components of strategic project management can be defined in the corporate strategic project portfolio management. Still keeping flexible processes, because it works better than rigid ones (Englund, Graham 1999).

2.1.6 Project Portfolio Management

Project portfolio management (PPM) means controlling and evaluating multiple projects that use the same resources and they have similar strategic goals (Martinsuo 2013). Based on Hyväri (2016) portfolio management is the coordinated management practice of one or more portfolios to achieve corporate strategy and objectives. Based on Ghasemzadeh and Archer (2000) essential tasks of PPM are project evaluation, prioritization and selection processes. Strategic project portfolio management include two different types of projects: operational projects that improves existing business and strategic project that deal with new business opportunities (Shenhar

2004). Key task of PPM is to select project based on their strategic impact and allocate resources efficiently (Shenhar 2004; Martinsuo 2013). Project organization creates more flexible structure, that makes organizational project management more strategically important (Hobbs et al. 2008). When corporate strategy involves high rate of growth or innovation, linking strategy to portfolio development is crucial (Morris, Jamieson 2005). In addition, new kinds of innovations can be created in project form (Hobbs et al. 2008). Due to consumer goods corporations are not in project business, strategic project portfolio management is more in strategic level.

Project management is not isolated from the rest of the corporate management (Hyväri 2016). To have successful project portfolio both single project management and project portfolio management needs to be well planned (Hyväri 2016). Project management constantly evolves to changes in external or internal environment (Aubry et al. 2009). Project management structure applies set of skills, knowledge, tools and techniques to multiple projects to meet with the needs and expectations of the corporations investment strategy (Dye, Pennypacker 1999). More value and benefits are created when projects are not managed independently (Platje et al. 1994).

2.2 Corporate Management Implements Strategy

Corporate strategy can be formed by using scenario thinking, strategy maps and other workshops (Porter 1996). The Balance Scorecard – tool can be used to translate strategy into operative goals with four perspectives: financial, customer, internal and learning and growth (Kaplan, Norton 2008). Strategy is implemented with disciplined planning and action (Morris, Jamieson 2005) and then measured and monitored with management control system (Simons 1994). Strategy implementation means adapting to organization variables to match corporation strategy, which then increases performance (Homburg et al. 2004). Based on Saunders et al. (2008) successful strategy implementation consists of three elements: organizational structure to implement strategy, having appropriate control and resource allocation and managing change from process approach.

This chapter focuses on corporate strategy implementation starting from strategy formulation to monitoring strategy implementation. Figure 3 shows the relationship between organization structure and corporate strategy, management systems and leading strategic changes. Strategic change is lead through projects.

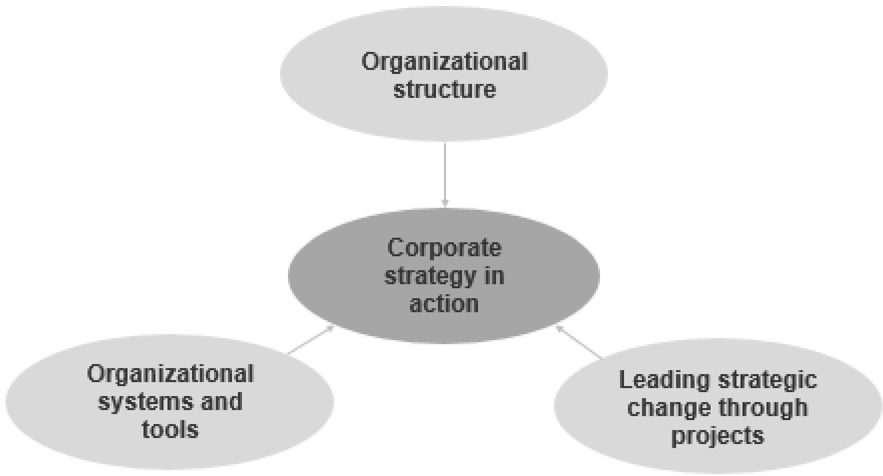

Figure 3 *Areas affecting strategy in action (Modified from Saunders et al. 2008)*

Strategy implementation refers to the process of turning strategy into action, monitoring and assessing the outcomes (Gimbert et al. 2010). Strategy implementation has various dimensions but in this study strategy implementation is categorized according to Figure 3. More detailed view on organizational structure, organizational system & tools and leadership will be given in this chapter 2.2. Leading strategic change through projects will be introduced in chapter 2.3.

2.2.1 Action Oriented Corporate Strategy Formulation

Strategy formulation process means how corporation defines its long-term direction and scope, and the process how to achieve it has become the most debated area in the field of strategic management (Gimbert et al. 2010). With successful strategy execution in consumer goods industry companies can have significant effect on sales growth, productivity, financials and cultural cohesion (Smith 2009). First step is to define the problems that causes weak execution (Neilson et al. 2008). Often strategy implementation is not planned well enough (Atkinson 2006). Neilson et al. (2008) showed that companies fail at strategy execution because they first try to reorganize the structure while forgetting the most impactful drivers of effectiveness. Strategic execution does not happen with moving lines in organizational chart (Neilson et al. 2008). During strategy formulation process strategy implementation should be considered (Kaplan, Norton 2001; Jarzabkowski, Spee 2009).

Claude and Hanley´s (2007) study on the banking industry noticed that strategy implementation receives less attention than strategic decision-making. And there is more communication about the strategy than the implementation steps, therefore turning strategy into action has communication and commitment issues (Claude, Hanley 2007). Guffey and Nienhaus (2002) support the argument, and they found that 56% of company's employees were able to relate to the strategy that was communicated to them by their managers. Similar issues have been seen in packaged consumer goods industry (Homburg et al. 2004).

Formal strategy process is required to bring clarity and discipline into corporation (Morris, Jamieson 2005). Corporation strategy should be created by top executives with help from people lower in the organization that are experts in their areas (Parnell 2003). Strategy formulation should not only be top-down due to corporate executives are not familiar with day-to-day activities (Parnell 2003). Smith (2009) explained how restricting strategic choices can create sense of common purpose for executives and also allow local interpretation in consumer goods industry. Strategy should be kept simple to make the implementation process simpler (Claude, Hanley 2007).

There should be an alignment between categories and functions to generate regional strategic plans, behind the corporation strategic plan especially in consumer goods industry (Smith 2009). Companies should gradually integrate their key business processes, for example financial planning, budgeting, target-setting, risk management and performance management, into the strategy execution process (Smith 2009). Concrete targets that can be broken into smaller goals and actions that can be executed more easily.

According to Claude and Hanley (2007) CEOs and other top managers often think that the lower level managers will plan and execute the strategy. However, the lower level more operative managers might not have the skills to structure and manage effective implementation of strategy (Claude, Hanley 2007). Executing strategy normally falls into SBU level, where strategic initiatives are clustered into portfolios and projects for implementation (Morris, Jamieson 2005). During the strategy formulation uncertainty should be managed to ensure that in strategy implementation faces little or no risks (Parnell 2003). Individual corporate leaders have impact on the strategy formulation and business unit strategies, still strategy formulation process should be transparent (Bowman, Helfat 2001).

2.2.2 Corporate Management Structure Aligned with Corporate Strategy

Organizational structure needs to enable strategy implementation. A classic statement "*Structure follows strategy*." (Chandler 1962). There is a sequential model where corporations first define the strategy and then create appropriate organization choices, such as structure, processes, systems and rewards, define the relationship between strategy and organizational dimensions (Homburg et al. 2004). Johnson et al. (2009 p. 238). stated that structure is an important factor in organizing for success. Therefore, strategy needs to be supported by formal and informal management systems, in other words 'muscles' of the organization. Management systems assures control over strategy implementation, leadership and operational efficiency. (Johnson et al. 2009 p. 238) Structural changes are part of the improved execution of strategy, but they should be thought as the capstone, not the cornerstone (Neilson et al. 2008).

In order to drive SBUs and other functions corporation needs to define a clear role for corporate management. Johnson et al. (2009 p. 143) defined the corporate parent roles as either portfolio manager, synergy manager or parental developer. Consumer goods companies tend to be more on parental developer role, because they try to guide branding and get synergies in supply chain (Johnson et al. 2009 p. 146). Gupta (1987) defined two dimensions of interest, strategic mission and competitive strategy, at SBU level compared to corporate strategy. Differences between SBUs and their competitive strategies should be considered in corporate strategy and implementation as well to ensure alignment (Gupta 1987).

Based on Fonvielle and Lawrence (2001) alignment means having agreement about common goals and means between all levels of strategy, in other words everyone works towards the same goals. Based on Holbeche (2009) when strategy is clear, and the alignment is strong, planning and execution teams increase effectiveness. With planning resources are allocated and enough attention is given to the strategic projects from top level (Claude, Hanley 2007). Tools for improving the alignment are concrete action plans between corporation and SBUs (Gupta 1987). Roadmaps of strategy implementation helps to plan and organize actions towards the right strategic direction.

It is interesting to understand how industry is affecting the corporate management structure. Based on Homburgs et al. (2004) empirical research the role of market orientation in PPD strategy implementation. They found that performance effects of PPD strategy are indirect via market orientation, and therefore the market orientation is an important tool in strategy implementation (Homburg et al. 2004). Therefore, market orientation is also affecting the structure of the corporation. Other factors affecting how to define the structure for strategy implementation are corporate diversity, size of the organization and organizational culture (Gupta 1987).

2.2.3 Corporate Strategy Implementation through Leadership

Roles of top executives and organizational project management plays a big part in effective corporate strategy implementation (Hyväri 2016). People should be engaged in strategy-formulation as early as possible (Parnell 2003). When formulating strategy involve everyone that are affected by asking them their input to strategic decisions (Kim, Mauborgne 2005 p. 175). If middle managers are part of the strategic discussion, they can then easily convert the strategy into actions (Smith 2009). Top and senior management needs to identify patterns of changes and come up with the best solutions for them in the strategy implementation (Neilson et al. 2008). Function managers need to have access to the key metrics that measure the key drivers of their business (Neilson et al. 2008). In addition, middle managers need to have clear agendas and reporting process in strategy implementation (Smith 2009). Managers need to have time to implement the strategy in their organization, due to strategy implementation is not happening in their free time or without constant working towards the goals (Claude, Hanley 2007).

Strategy needs to be executed in a disciplined way through every leadership teams and connect to every employee’s work-plans (Smith 2009). All employees need to understand the strategy and they need to have individual contribution plans build around the company strategy (Smith 2009). All the employees in different levels need to understand how their decisions and ways of working affect corporation´s bottom line (Neilson et al. 2008). Communication and target setting help to connect the strategic targets to individual level.

Neilson et al. (2008) clarified two major drivers in strategy implementation: decision rights and information flow. Companies need to find balance where which decisions are made, and everyone in the organization needs to know of which decisions they are responsible for, and act based on the decision. Neilson et al. (2008) encourage top managers to better delegate operational decisions closer to operational people. Once decisions are made they should not be second-guessed. Information should flow efficiently from top to bottom and bottom to the top. Corporate management needs to get information quickly about competitive environment, problems in the project management and resource allocation. Information needs to flow across corporation boundaries to ensure fast reaction to changes. (Neilson et al. 2008)

Everyone in the organization should understand why final strategic decisions are made as they set the clear rules for actions (Kim, Mauborgne 2005 pp. 175-176). Managers also need to communicate new behavior that is expected, what are the new targets and what will happen if employees fail to fulfill new rules and targets (Kim, Mauborgne 2005 p. 176). Employees´ bonus systems should be in line with the new strategy, to keep employees motivated to implement and act according to the new strategy (Neilson et al. 2008). Managers can use the strategic discussion as a powerful feedback loop that enhances organizational learning (Kim, Mauborgne 2005 pp. 175-176). Training employees has an impact on strategy execution. Leadership should be inspiring and motivate employees to change and work toward common targets (Kaplan, Norton 2001; Allgood 2015).

McElroy (1996) noticed the importance of managing employees' responses to change. Kotter's (2017) leading change practices can be used in strategy implementation leadership as well. Based on Kotter (2017) the two most general lessons learned are: change process goes through certain phases and it requires time, then critical mistakes can have a significant bad impact, slow the progress and negate hard-won gains. Therefore, managers often underestimate the time required in changing employees´ behavior (Kotter 2017).

To effectively lead strategic change in the organization there is a need to create a sense of urgency, and true urgency means that people are focused on critical issues (Kotter 2013). In the beginning of strategy implementation improvements should be visible in other words to create quick wins. Then employees get motivated and committed to the strategy when they are able to see the progress and benefits. Furthermore, employees accept changes when they see that the new ways of working leads to results. However, there is always resistance to change in strategy implementation. (Kotter 2013).

2.2.4 Corporation Strategy Implementation through Management System

With effective strategy implementation management system companies can minimize short-term fails in strategy implementation (Kaplan, Norton 2008). Management systems gives a clear structure of when and what tools to use. Kaplan and Norton (2008) stated that there are two basic rules in implementing strategy: "*Understand the management cycle that links strategy and operations, and know what tools to apply at each stage of the cycle*." Kaplan and Norton (2008) have created Figure 4 framework to link strategy and operations.

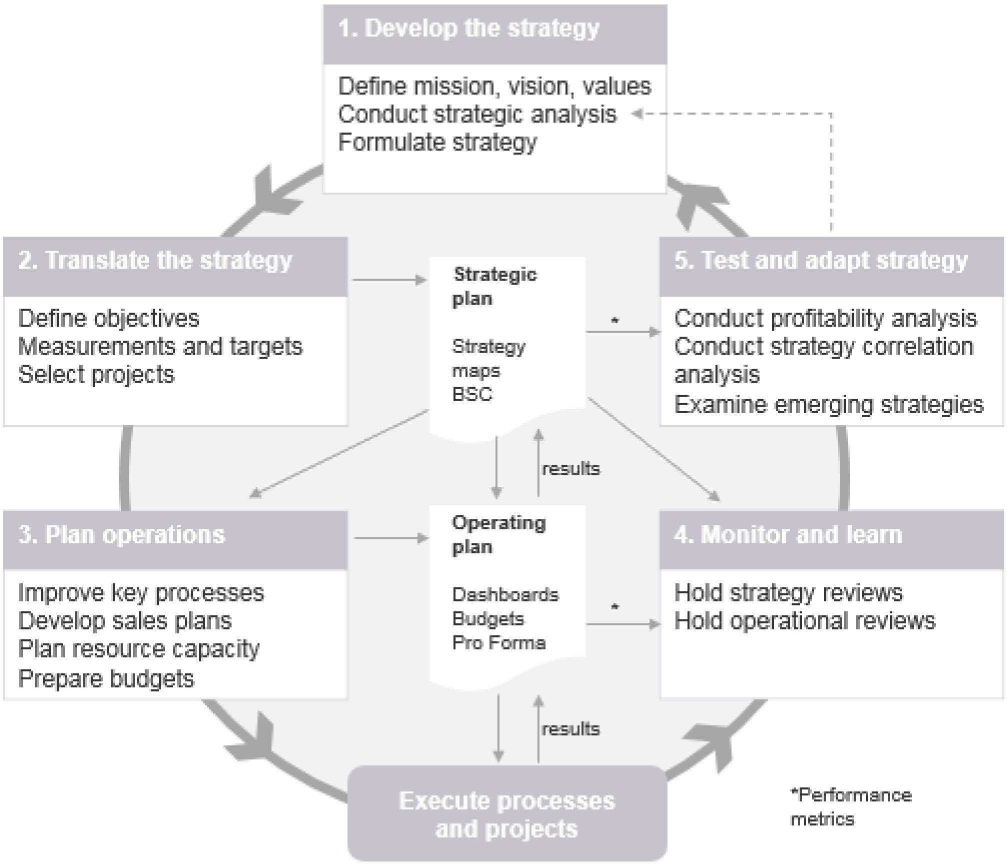

Figure 4 *Closed-Loop management system links strategy and operations to ensure strategy implementation (Modified from Kaplan and Norton 2008)*

Figure 4 summarizes efficiently how corporate should develop its strategy and how to implement it. The cycle starts with developing the strategy and the strategy is translated into objectives, strategic plans and projects. Based on the strategic plans' corporation can map out the actional plans and allocate resources based on the objectives. Resource allocations can be done with budgets and sales- and resource capacity plans. Then actions should be continuously monitored and analyzed how the strategy is succeeding in internal and external environment. At the end of the cycle strategy is updated based on the learnings and performance metrics. (Kaplan, Norton 2008) Kaplan and Norton´s (2008) management system is quite comprehensive, but companies should modify the management system to their needs. For example, Smith (2009) introduced Unilever strategy management system, that included think, plan, deliver and review -cycle. During the cycle similar tools and actions happed than in Kaplan and Norton (2008) cycle but in more simpler style.

Important part of any management system is performance management. There has been increased attention for performance management system as a tool for strategy implementation (Gimbert et al. 2010). Based on Gimbert et al. (2010) empirical study on Spanish companies´ strategic performance management systems help to translate corporate strategy into more comprehensive strategic agenda. Strategic agendas then shape the direction of corporation's strategic development. Corporate managers that follow the performance of the strategy implementation are then earlier more aware of the need for reshaping the corporation's strategy than managers that do not follow the performance (Gimbert et al. 2010). Therefore, strategic monitoring and controlling need to be receive more attention and to be investigated more.

Strategy implementation through strategic projects as other various elements than management system. Saunders et al. (2008) introduced implementing strategic initiatives framework for companies using Baldrige criteria for performance excellence model. Framework is presented in Figure 5.

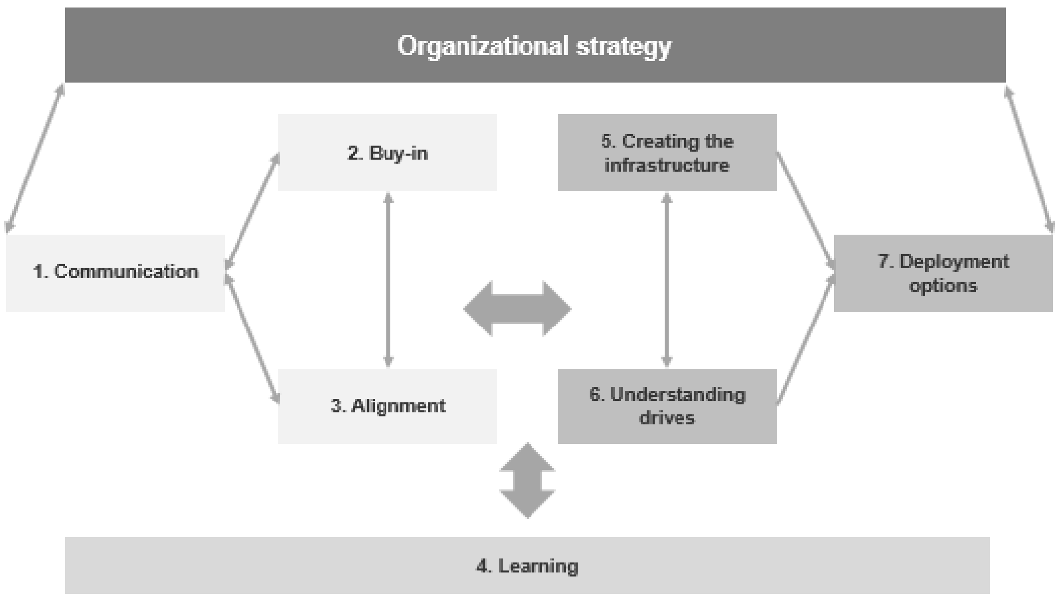

Figure 5 *Implementing strategic initiatives framework (Modified from Saunders et al. 2008)*

Figure 5 framework both addresses the soft (1-3) and hard (5-7) aspects of strategy implementation, and learning interacts with all the aspects. Saunders at al. (2008) also mentioned that organizations complexity and business environment that shape the strategy implementation and managing strategic projects. Still more detailed performance management practices needed to be defined for managing strategy implementation projects.

2.2.5 Strategy Implementation Performance and Control System

Monitoring strategy implementation is often done with strategic control system. Based on Atkinson (2006) "*Strategic control system provides short-term targets that deliver long-term goals*." Therefore, the system needs to include both "*feedback*" and "*feed-forward*" information. With strategy control system top managers can overcome the organizational inertia and focus attention to strategic projects (Simons 1994). A strategic control system helps corporate leadership team to assess how intended strategy is accomplished and help to identify areas that need to be further developed. Strategic performance management system is a tool for efficiently implementing strategy (Gimbert et al. 2010). Goold and Quinn (1990) developed a strategic control framework that recognizes the degree of environmental turbulence and the ability to specify and measure corporations' strategic objectives. Framework is presented in Figure 6.

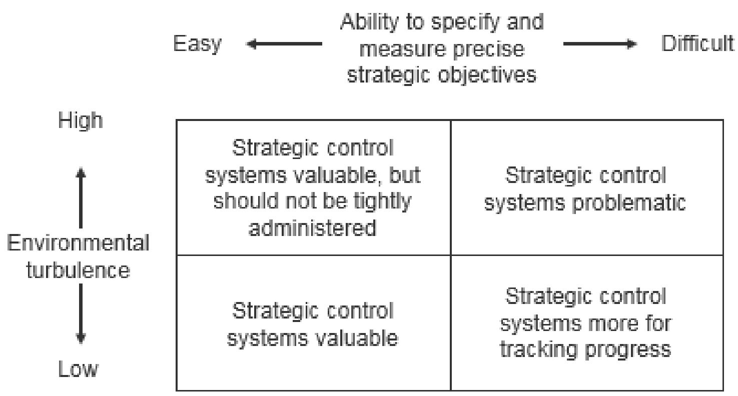

Figure 6 *Approaches to strategic control systems in different businesses (Goold and Quinn 1990)*

Based on Goold´s and Quinn´s (1990) framework in Figure 6 the strategic control system needs to be suitable for different circumstances and businesses need to develop their own approach to control system. Based on Atkinson (2006) control systems need to be flexible to face constant changes in the business environment. Consumer goods industry is quite a turbulent business environment, therefore control systems need to able to be flexible and face the changes in strategy and operations.

Micheli et al. (2011) studied the link between strategy implementation, performance measurement and strategic alignment, and found that unconditioned use of performance management systems to limited extend leads to strategy implementation. Moreover, Micheli et al. (2011) promoted balanced top-down control and bottom up empowerment with financial and non-financial measurements, that provide greater sense of direction to business units. Using both qualitative and non-financial measurement and data can reduce misinterpretation of business unit performance. No IT system of performance management alone has an effect to strategy implementation. (Micheli et al. 2011).

Lynch and Cross (1995) listed three criteria: link operational targets to strategic goals, integrate financial and non-financial information and focus on business activities on meeting customer requirements, for performance management system in order to effectively mediate between corporation's strategy and every day activities. Chenhall (2005) instead found key dimensions of strategic performance management systems, that were: integrative information that helps to deliver positive strategic outcomes, strategic and operational linkage help to integrate elements in value chain, customer orientation includes financial and customer measures and supplier orientation that include business processes and innovation measures. Chenhall (2005) also found in his empirical study that performance management indirectly influences strategic outcomes by aligning manufacturing with strategy and organizational learning.

Based on Simons (1994) there are four types of management control systems: beliefs-, boundary-, diagnostic control- and interactive control systems and together they comprise a controlling business strategy framework. Figure 7 presents the Simons (1994) controlling business strategy framework.

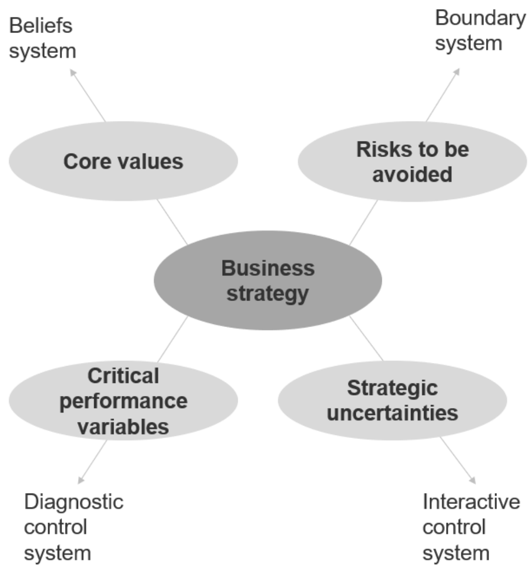

Figure 7 *Controlling business strategy (Simons 1994)*

Based on Simons (1994) all the systems are used in different times of strategy implementation. Belief systems meaning the formal systems to define, communicate and reinforce the direction, purpose and values of the corporation. Boundary system means the limits and rules that are created through code of conduct, strategic planning and operational guidance. Diagnostic control system instead means monitoring outcomes and correct deviations by formal feedback system and performance management, for example budgets and business plans. Interactive control systems help focus the attention, facilitate dialogue and learning throughout the organization by personally involving managers. Based on the longitudinal study among newly appointed managers control systems were used to: 1. Overcome difficulties in organization, 2. Communicate agenda, 3. Make implementation targets and timetables, 4. Ensure attention to important issues and 5. Focus on learning from strategy implementation. (Simons 1994). These elements are also seen in corporate strategy, therefore framework fits to corporate strategy. All these systems are important, but in this study, focus is more in the critical performance variables and managing strategic uncertainties side.

Balanced scorecard (BSC) method was developed by Kaplan and Norton (1996) to address weaknesses in traditional performance measurement systems. BSC tries to give comprehensive view on of the business and provide a framework for strategy implementation while allowing strategy to reflect the changes in the business environment (Kaplan, Norton 1994). BSC views performance from four perspectives: financial, internal business, customer and learning & growth perspective which corporations should articulate their vision, strategy and targets before translating them into certain projects, goals and measurements (Atkinson 2006). BSC both measures progress with financial and non-financial indicators such as service quality, employee engagement and customer satisfaction that identifies the cause-and-effect relationships (Atkinson 2006). BSC has also faced some criticism related to congruence between corporations other control systems, being more like a list of measures, focusing on hierarchical top-down approach (Atkinson 2006). All in all, BSC can be seen as one example or platform of performance management and corporations can develop their own strategy implementation control system themselves.

Based on Micheli and Manzoni (2010), Atkinson (2006), Chenhall (2005) and Simons (1994) customer focus, alignment of strategy and operations and financial and non-financial elements are the key elements of strategic control system. In strategic control system performance indicators play because they are big part in middle managers day-to-day work and reporting (Atkinson 2006). But still operative and strategic measurement should not be mixed together (Micheli, Manzoni 2010). Performance management system can be a link between corporate and business units to ensure the alignment and dialogue (Dossi, Patelli 2008; Micheli et al. 2011) and can enhance corporations strategic competitiveness (Chenhall 2005). Based on Micheli and Manzoni (2010) benefits of measuring and monitoring strategic performance are: effective strategy process from formulation to review, communicating results to shareholders thus strengthening corporate brand, motivating employees in every level with promoting performance improvement culture and enhancing learning in organizations. All the studies stressed that with strategic control or performance management system learnings from strategic development can be collected and used.

Based on Chenhall (2005) control systems are configured in various ways. Therefore, every corporation needs to find the right way to control their strategic development and address the issues in their business environment. For the strategic projects the performance management is often done in the strategic project portfolio or PMO. Therefore, project monitoring practices need to be further investigated and aligned with strategy implementation practices.

2.2.6 Failures of Strategy Implementation

Strategy implementation is considered failure when the objectives of strategy are not met in wanted time period. Like mentioned earlier in this study, 90% of corporations have difficulties in their strategy implementation (Morgan et al. 2007 pp. 62-63) and 66% of corporate strategies are never implemented (Johnson 2004). It is necessary to understand the problems behind the failures to improve the strategy implementation practices.

Beer and Eisenstat (2000) showed "*six silent killers of strategy implementation*": top down management style, unclear strategy & conflicting priorities, senior managements ineffectiveness, lack of vertical communication, lack of coordination across corporations' functions and inadequate line managers leadership skills. It is often believed that problems of strategy implementation are caused by employees but research shows the opposite, that the problems arise from managers (Beer, Eisenstat 2000). Neilson et al. (2008) showed that companies fail at strategy execution because they first try to reorganize the structure while forgetting the most impactful drivers of effectiveness. Claude and Hanley (2007) noticed that there is lack of commitment in key managers, dedicated resources and ineffective project management structure.

Communication is often the most mentioned problem in the strategy implementation. Based on Claude and Hanley (2007) effective communication is often further complicated with organizational structure and incomplete information for key people. In addition, the culture can slow progress of strategy implementation due to people are resistant to changes. Strategic projects have a role in ensuring the change happening also in employees' mindsets.

Lack of tracking and measuring the results and progress of strategy implementation is seen as major problem (Gimbert et al. 2010). Lack of tracking and measuring can lead to misallocation of resources, not reaching the financial targets like return on investment (ROI) and past performance issues will be repeated (Claude, Hanley 2007).

All in all, there are various reasons why companies fail in strategy implementation. The most common ones are listed in the Table 2. Like mentioned earlier in the chapter companies need to understand the issues that related to the failure of their strategy implementation.

Table 2 *Summary of strategy implementation failures mentioned in the literature*

Failures	Reference
Not tracking and measuring the results	(Atkinson 2006; Gimbert et al. 2010; Claude, Hanley 2007; Goold, Quinn 1990)
Communication breakdown	(Claude, Hanley 2007; Atkinson 2006; Beer, Eisenstat 2000)
No coordinated targets at various levels and functions. Not aligned operations with strategy	(Beer, Eisenstat 2000; Reed, Buckley 1988; Micheli, Manzoni 2010)
Corporate culture	(Claude, Hanley 2007; Atkinson 2006)
Role of middle managers unclear and their capabilities to both do operative management and strategy implementation	(Atkinson 2006; Beer, Eisenstat 2000)
Underestimating time needed	(Atkinson 2006; Kotter 2017)
Unclear strategy and priorities	(Beer, Eisenstat 2000; Holbeche 2009)
Training and instructions for lower level	(Atkinson 2006)
Not enough attention or planning for strategy implementation	(Atkinson 2006)
Lack of commitment	(Claude, Hanley 2007)

2.2.7 Summary of Previous Strategy Implementation Research

Based on literature so far, some themes such as planning, leadership and coordination are essential for strategy implementation, and to ensure that employees across the corporation understand and can act based on the strategy. To stay focused on the strategy implementation the strategy and its targets need to be clear and long-term targets translated into short term goals. Strategy implementation system provides mechanism to monitor progress and have an overall picture. Table 3 summarizes literature about how corporate management implements strategy.

Table 3 *How can corporate management best lead and monitor implementation of corporate strategy? Answers based on previous research*

Reference	Method and context	Results	Shortcomings
(Simons, Robert 1994)	Longitudinal study of 10 top managers that were newly-appointed	Control system is used to: overcome inertia, communicate agendas, define timetables and targets, continues attention, focus on learning.	Focus on newly appointed managers. Control period was only 18 months.
(McElroy 1996)	Experience from working as a consultant	Causes of poor performance of implementing strategic change are weak ability to change into new ways of working (structure, tasks, focus, power) and not managing the soft aspects. With project -oriented approach more likely to succeed.	Only tools presented.
(Claude, Hanley 2007)	Banking industry analysis	Keep it simple and reduce complexity. Solicit employee input to get new ideas. Formalized communication to get commitment. Engage more senior managers. Measure results. Establish a PMO to coordinate on high-level. Motivate employees with new approaches.	No implications for other industries.
(Saunders et al. 2008)	Case studies, interviews, site visits, benchmark and survey Companies using Baldrige criteria for performance excellence	Strategy deployment consists of: communicating the projects, achieving buy-in, aligning implementation, learning, creating infrastructure for implementation, understanding the business drives, identifying options.	Developed framework has not been adapted broadly And only for companies using Baldrige criteria for performance excellence.
(Micheli et al. 2011)	In first phase interviews and a survey from diverse group of firms. On second phase four semi-structured interviews	IT systems and governance mechanisms enable strategy implementation to limited extent. Lack of performance management system had negative effect on strategy implementation. Both strategy and measurement system need to be changed to provide new direction. Also, gather data about non-financial aspects.	No industry context. Therefore, not understanding the drivers coming from industry.

All the studies agreed based on Table 3 that implementation need to receive enough attention and planning, not just trust middle managers to do it without proper resource allocation. McElroy (1996) mentioned four methods of implementing strategic change: education & communication, participation and intervention. Grundy (1998) listed three key tools of implementation analysis: how-how analysis, implementation forces analysis and stakeholder analysis. Micheli et al. (2011) focused on performance management in strategy implementation.

The most certain to succeed and the least risky one is the project approach (McElroy 1996). Grundy (1998) stated that strategy implementation with project approach is more efficient. Claude and Hanley (2007) stated that strategic projects need to be sliced into manageable pieces and roadmaps. A project is a good way to change people's mindset and see the progress of their work based on Table 3.

Most of the studies agree that strategic long-term objectives should be turned into short-term targets and performance indicators. Monitoring these short-term targets is crucial. Companies should use control and performance systems to align strategy and operations together and measure the progress. Studies also agree that some high-level coordination and control for strategy implementation is necessary. Claude and Hanley (2007) saw establishing PMO as an important tool for coordinating implementation on high-level. PMO would track resource allocations, ensure consistency, assess progress and communicate systematically (Claude, Hanley 2007). Strategic project management and possible PMO structure is analyzed in more detail in chapter 2.3.

In order to ensure an efficient execution of strategy, we need to go deeper to Figure 4 “Execute processes and initiatives” step. Morris and Jamieson (2005) stated that the link from strategy process to project management needs to be defined by corporations. The next chapters are going into more detailed how corporation should manage strategic projects.

2.3 Managing Strategic Projects

Prior project management literature tended to focus on project management methods, critical success factors and project management techniques (Papke-Shields, Boyer-Wright 2017). Strategic management practices are starting to show in project management (Grundy 1998). Over the years project management has gone to more strategic level (Patanakul, Shenhar 2012). Alignment between corporate strategy and project management has become well researched topic (Alsudiri et al 2013; Lehtonen, Martinsuo 2009).

This chapter presents the elements of corporate strategic project management. Chapter follows the Figure 8 steps. Strategic portfolio management connects with single strategic project management in all steps.

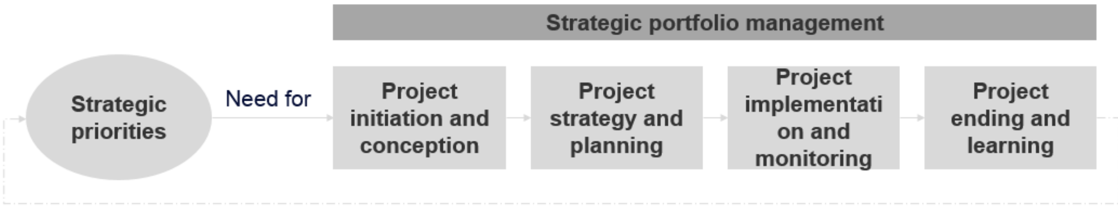

Figure 8 *Strategic project management process (modified from Artto et al. 2008)*

2.3.1 Portfolio Management Aligned with Corporate Strategy

Corporate strategic project portfolio management has key roles in organization (Aubry et al. 2012). Project portfolio management is a continuous process in a corporation compared to a project which has a clear start and ending (Hyväri 2014). Project portfolio helps to translate strategy into projects, create synergies and prepare for the future capability needs (Aubry et al. 2012). The best way to link strategic portfolio management with corporate strategy is to establish a balanced, executable plan that will help corporation to achieve its goals (Hyväri 2014). Turner (1999) adapted Figure 9 approach for moving from corporate strategy context to portfolio strategy and project planning. Morris and Jamieson (2005) used the same framework.

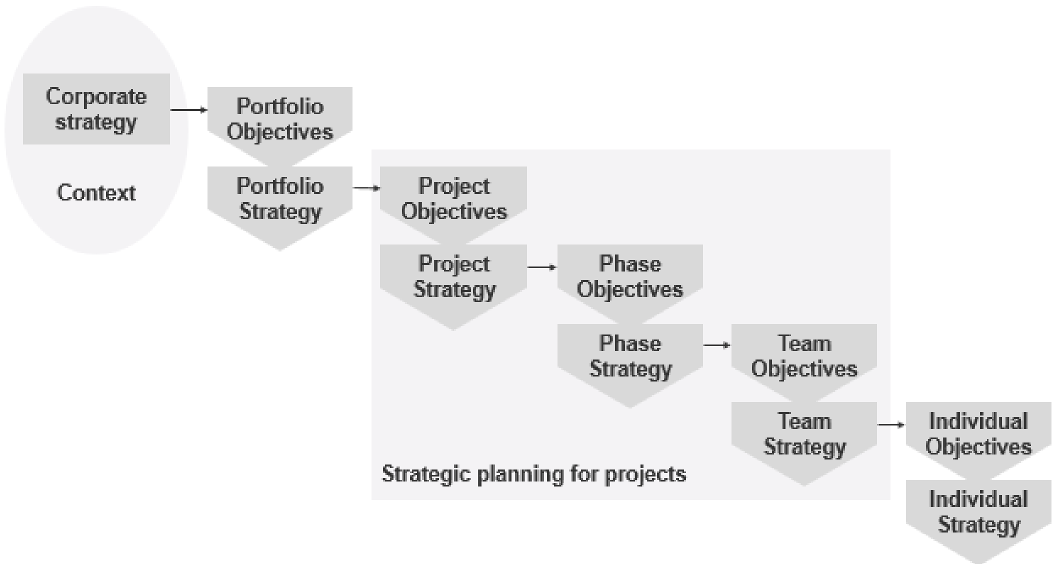

Figure 9 *Portfolio is the link between corporate strategy and project strategy (modified from Turner 1999)*

Project portfolio plan impacts strategy in six areas: maintaining portfolio alignment to strategic objectives, allocating financial resources, allocating human resources, allocating material or equipment resources, measuring portfolio component performance and managing risks (PMI 2013). Successful project portfolio management needs a systematic approach for project evaluation, decision-making and resource allocation. Portfolio management ensures enough resources to strategically important projects and brings out shortcomings in resource allocation (Hyväri 2014). Project portfolio scenario analysis gives view of the future, focuses on change and predicts the stakeholder behavior (Grundy 1998).

According to Purnus and Bodea (2014) in project oriented organizations other objectives of PPM are selecting projects with highest benefits, prioritizing them and managing risks and performance of the portfolio. Cooper et al. (1997) defined strategic alignment as one project portfolio management objectives. Project portfolio management is a tool for corporate top managers to see the overall picture of strategic projects. The top managements core role in PPM is to ensure strategic fit and have financial ownership of the portfolio (Unger et al. 2012). Senior managements involvement is there to see the portfolios strategic fit and to steer projects towards success (Unger et al. 2012).

Based on Cooper et al. (1997) product development research project management and project portfolio management need to go hand in hand. Figure 10 presents the alignment of portfolio management and project management.

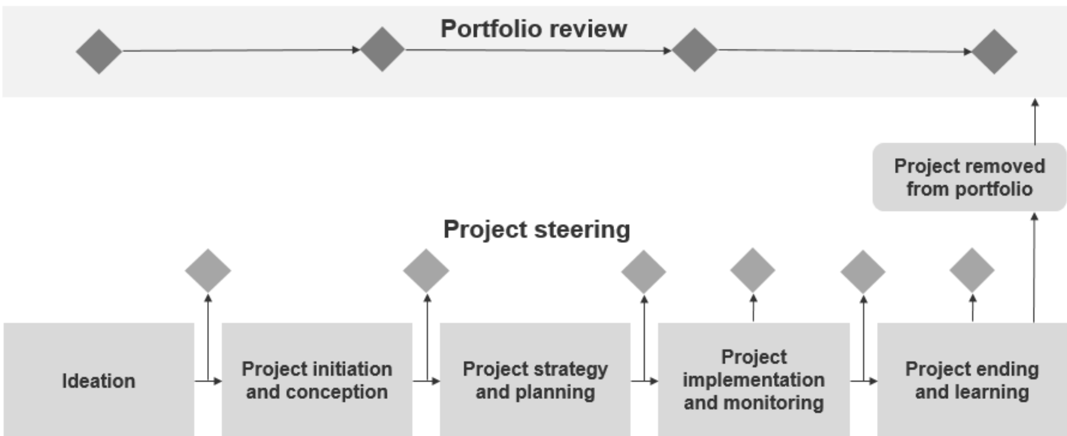

Figure 10 *Project management and portfolio management alignment (modified from Pilpola 2017)*

Portfolio reviews should integrate with project decision points to have seamless interaction (Pilpola 2017). Project steering includes, for example status check, fixing possible problems and making decisions. Steering also analyze if the project needs more resources, time or money. Portfolio reviews make sure the projects has enough resources and all the corporation´s strategic priorities are developing to the right direction. In the reviews possible problems that prevent the achievement of project goals are analyzed and solved. Structured steering of projects and portfolio engages senior management, employees and project management to deliver results. (Pilpola 2017).

There are multiple ways of doing project portfolio management. The structure of the project portfolio management is dependent on the corporation role and the strategy (Roussel et al. 1991). Curlee (2008) categorized project management into centralized and decentralized organizations. They are presented in Table 4.

Table 4 *Two types of project portfolio management*

	Characteristics	References
Centralized	Project managers get guidance from an overarching centralized PMO. Centralized PMO is responsible of processes, procedures, tools and systems. Project managers report to PMO and they are assigned to projects by the administrators. Requires senior management's support and active participation to succeed.	(Curlee 2008; Aubry et al. 2008; Milosevic et al. 2001; PMI 2004; Toney 2002)
Decentralized "virtual PMO"	Small corporate overseeing. Project management part of sales or solution teams and they have more responsibility over tools and processes. Decentralized PMO provide training and other miscellaneous responsibilities and project managers do not directly report to it. No central decision-making authority but partnership with senior management. Not in one physical location, use of technology to communicate.	(Curlee 2008; Hales 1999; Kerzner 1998; Ormand et al. 2000)

The design of project portfolio management comes from the ambition level of corporate´s top management. There is a need to analyze what is needed and what brings most value to the corporation. (Curlee 2008). Centralized PMO is slightly more suitable for project-based companies, where the project practices are more established than in consumer goods industry. Table 5 summarizes literature about project portfolio management in corporate strategy implementation.

Table 5 *Summary of project portfolio management and linkage to the corporate strategy based on literature*

Reference	Method and context of the research	Results	Shortcomings
(Lehtonen, Martinsuo 2009)	Two case firms, public organization and private company Complex organizations with parent organization	Problems engaging people in parent organization to change. Unique nature of program-parent integration. Role of boundary management regards to organizational integration and isolation. Framework that program-parent integration connects the various integration, isolation and boundary activities to the needs. Performance indicators	Change program not a single strategic project

Reference	Method and context of the research	Results	Shortcomings
(Unger et al. 2012)	Quantitative longitudinal study of multiple case companies	Project portfolio management practices affects positively to portfolio success and ensures strategy implementation.	Mostly studied project business companies
(Kissi et al. 2013)	Quantitative data collection and testing of hypotheses. Case study, 8000 employees, turnover 500 M £	Transformational leadership of portfolio managers have positive impact on project performance. Proofed that leadership enhances employees' motivation.	Focuses more on ensuring project performance not strategy implementation
(Hyväri 2014)	Case study carried out in medium size corporation that had subsidiaries in Europe.	Interconnection between company strategy, project portfolio and projects. People challenges in managing project portfolio. Explained how case company linked strategy to PPM.	Organizational/company strategy. No clear framework or other managerial benefits. Cannot draw any conclusions
(Hyväri 2016)	Case study in business organization, Parent company and subsidiaries in Europe. Turnover 150-200 MEUR and employees 750-1000	Define roles for top management and organizational project management in company strategy implementation. Importance of clear roles and responsibilities, communications and reaction to changes in environment. Structure of PMO depends on organization's needs and they are responsible of ROI of project portfolio according to strategy.	Partly fulfills the gap between company strategy implementation, corporate governance and project management.

Based on the Table 5 project portfolio is seen as a good way to align corporate strategy and project practices and define roles and responsibilities. Portfolio management is also responsible for collecting learnings after the project. Based on Hyväri (2016) a good way to collect project learnings is to have lessons learned session after every project. Differences in Table 5 are the senior managements involvement, and how the corporate strategy is impacted by PPM.

2.3.2 Choosing and Evaluating Strategic Projects

Project selection is a part of the strategic project portfolio management. In order to have strategically important projects corporations need to have clear strategy (Figure 1 first step). Then strategy is turned into priorities (Figure 1 step two) and based on the corporate strategic priorities, projects are formed and analyzed. When the most important strategic projects are chosen, then the strategic projects can be executed. Grundy (1998) introduced the decision path for analyzing project fit to corporate strategy. Englund and Graham (1999) formed a framework to guide strategic project prioritization, seen in Figure 11. Structured project evaluating processes help to make decisions and communicate them (Pilpola 2017).

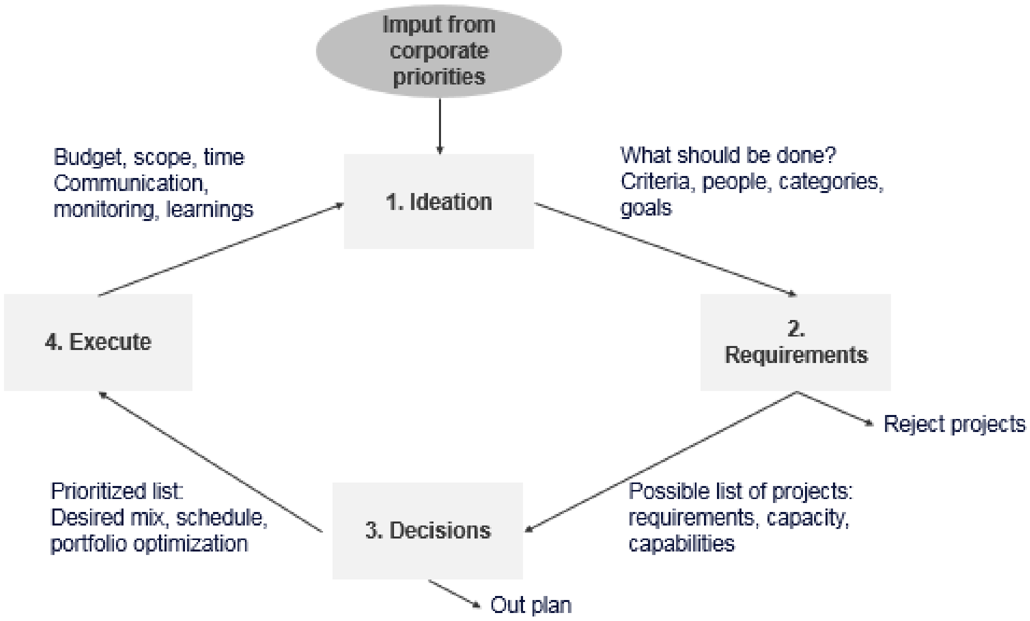

***Figure 11** Systematic approach for selecting projects based on strategy (modified from Englund and Graham 1999)*

The approach in Figure 11 starts with planning what should the corporation do to achieve strategic goals. It includes project selection criteria, possible people in the project team, categories and goals. In the next steps a list of projects is formed by thinking what corporation can do and what are the requirements. Then the projects are decided based on corporation's key metrics and a prioritized list of projects is formed. Last step is to start executing the strategic projects. At the end project learnings are collected and then moved back to step one. People should be engaged in the project selecting process as early as possible. (Englund, Graham 1999).

Strategic criteria in project selection is general approach for ensuring strategic alignment in project management (Englund, Graham 1999). Englund and Graham (1999) reported that selecting project based of their strategic emphasis helps to resolve resource allocation problem, and to put together pieces of strategy puzzle. Shenhar et al. (2001) explained four project evaluation dimensions: project efficiency, impact on the customer, business success and preparing for the future. Based on Artto and Dietrich (2004) project selection criteria guidelines have significant impact on alignment of project portfolio management and corporate strategy. Common project selection and evaluating methods are: scoring models, financial tools, matrix & bubble diagrams and other charts, checklists and roadmaps (Cooper et al. 1997; Dye, Pennypacker 1999; Artto et al. 2008 p. 356). According to Unger et al. (2012) projects that do not fit with corporate strategy should be terminated.

Many studies stress the importance of prioritizing of projects. Martinsuo and Lehtonen (2007) found in their public organization case study, that companies should as early as possible clarify what a program is and what value does it add. Managers should use action oriented informal and formal program initiation practices and pay attention to institutional change in a hierarchic organization. At the end project prioritization communicates what the corporation is doing and what it is not doing. (Martinsuo, Lehtonen 2007) Based on Unger et al. (2012) senior managers should have optimal degree of involvement to have a positive effect on project termination quality.

2.3.3 Project Strategy is the Link Between Corporate Strategy and Project

Based on Shenhar (2004) project can be strategically or operationally managed. Strategically focus on achieving business targets and operationally focuses only on getting the job done (Shenhar 2004). Project managers need to understand the strategic business aspects of their project, not only to focus on time, budget or performance goals (Patanakul, Shenhar 2012). A well-planned project strategy creates the best competitive advantage for pursuing strategic goals etc. winning in the market place (Shenhar 2004). Based on Alsudiri et al. (2012) alignment between project management and business strategy has an impact on overall direction of both corporate strategy and projects. Misalignment can restrict achieving tangible goals and objectives (Alsudiri et al. 2013). Project strategy helps to guide the project execution and achieve the business objectives (Patanakul, Shenhar 2012).

Patanakul and Shenhar (2012) explained that the business perspectives in Figure 12 helps project team to understand the big picture behind their own projects, as well as enhance importance in corporation strategy execution. Understanding the value and competitive advantage gain from the strategic project helps to motivate team members. The position defines in more detailed what are the key project deliverables and what are the success criteria. Guidelines provide foundation for project manager to drive the project into right direction and achieve desired competitive advantage. (Patanakul, Shenhar 2012).

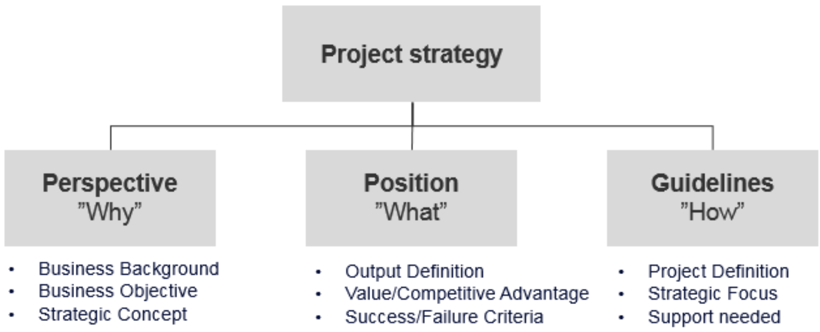

***Figure 12** Project strategy and its components (Modified from Patanakul and Shenhar 2012)*

Fortune et al. (2011) agreed that clear goals need to be set in order to project to succeed. Hauc and Kovac (2000) noticed the weak point between business strategy and project planning phase. Shenhar (2004) presented the missing link between business strategy and the project plan. Project strategy is the link to corporate strategy; therefore, it needs to be clear for a single project management, steering group and corporation executives (Shenhar 2004). Based on Alsudiri et al. (2012) major challenges in effective project management process are understanding the alignment with corporate strategy and projects. Figure 13 presents the link between corporate strategy to project implementation.

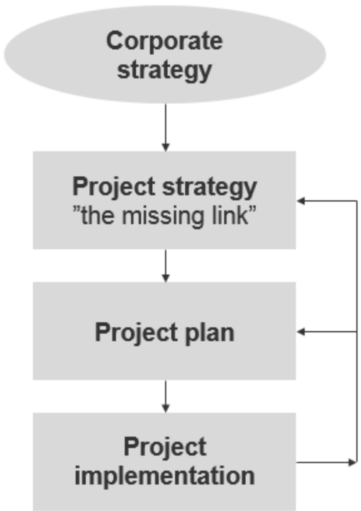

***Figure 13** Project strategy is the missing link between project and corporate strategy (Modified from Shenhar 2004)*

Internal factors that tie project strategy into corporate strategy based on literature are, for example communication, support from corporate management, involving project managers in corporate strategy development and leadership skills of project managers (Alsudiri et al. 2013). Project strategy should be communicated to project team and relevant stakeholders (Patanakul, Shenhar 2012). According to Morris and Jamieson (2005) project strategy has been used in a formal and informal way in project management practices. Patanakul and Shenhar (2012) confirmed that with empirical study.

Shenhar (2004) presented strategic project leadership elements: strategy, spirit, organization, processes and tools that guide strategic project planning. These five elements are hierarchical and during project management they need to be addressed sequentially. Spirit elements defines how leaders are transforming and inspiring people to achieve good results and overcome problems during project execution. There should be vision and cohesive project culture. Project organization need to reflect the strategy and spirit, but the most important is to have clear structure to go forward. Processes include for example communication, monitoring and decision-making procedures that are defined by corporation project management. Tools supports the other elements. (Shenhar 2004) Summary of project strategy and its link to corporate strategy literature in Table 6.

Table 6 *Summary of project strategy link to corporate strategy based on literature*

Reference	Method and context of the research	Results	Shortcomings
(Shenhar 2004)	Case research, 6 cases - 3 successful and 3 disappointments	Seven principles of strategic project leadership that help to conclude what corporation needs to do to ensure implementing statically important projects.	Focus on R&D projects
(Morris, Jamieson 2005)	4 Case studies and survey	Moving from corporate strategy to a project is a systematic way that include processes, practices and people. Resource management critical factor. Strategies should be aligned moving from corporate to projects to individual objectives.	Missing how to implement, focuses more on hierarchical approach.
(Srivannaboon, Milosevic 2006)	Case study, 8 cases, 9 projects in 7 organizations	Framework for aligning project management with business strategy	Focus on generic strategies
(Patanakul, Shenhar 2012)	Literature review on project strategy. Case study and action research.	Emphases the importance of strategic project management. Project strategy leads to better business results. Defined project strategy and its components. Project strategy guides project execution.	Focuses more on project strategy not the actual leading of the project.
(Alsudiri et al. 2013)	4 case studies in Saudi Arabia, one project in each company Large projects	Internal factors that affect alignment of project management and business strategy are: communication, executive support, involve PM in the strategy development, PM leadership competence and departments support. Strong alignment lead to successful projects.	Telecommunication industry

2.3.4 From Project Plan to Implementation

A project plan brings everyone to the same table and structure and defines the ownership to the project (Fortune et al. 2011). The project plan consists of more detailed definitions for: project background, wanted benefits, goals and objectives, risk management, organization, roles & responsibilities, scope, work breakdown, timeline, resources, procurement management, budget and costs, reporting and communication plan (Artto et al. 2008 p. 100). Based on Alsudiri et al. (2013) realistic schedule is one of the most important factors in project success.

Project plan is broken into short term milestones and activities. Milestones guide the progress of the project. Milestones and activities are placed in to the timeline, for example Gantt Chart, and resources are managed accordingly. (Crawford, Bryce 2003). Steering group meetings are then fitted to the project implementation timeline. The timeline is share to all relevant stakeholders and especially the corporate leadership to get support when needed. The steering group, portfolio management and corporate leaders gives support and validates the decisions during the project implementation. All in all, a strategic project needs to have certain isolation from day-to-day operations to get things moving faster, but still get support from upper management. Project communication should use common tools and communication material etc. status symbols. The project implementation structure is defined in the project plan phase by project team, steering and corporate leaders. (PMI 2000)

Typically project management literature (Turner, Muller 2005; Hyväri 2016) does not take a stance on project managers leadership skills, but in general management literature show that leadership skills of top managers have effect on strategy implementation. Therefore, leadership should be important in project management as well. Englund and Graham (1999) stated that upper management behavior will translate into project teams as well. Kissi et al. (2013) found that right kind of leadership increased the performance of projects.

Lehtonen and Martinsuo (2009) change program research, found that there is personnel´s resistance to change efforts. Resistance can lead to failure of adopting to project findings and possible new ways of working (Lehtonen, Martinsuo 2009). Also, Hyväri (2014) found people challenges in managing project portfolio. Other project management literature (Hyväri 2016; Engwall 2003) confirms that strategic project is not an isolated entity and it need to connect with corporation parent like Lehtonen and Martinsuo (2009) stated. Morris and Jamieson (2005), McElroy (1996) and

Broner et al. (2002) emphasized the importance of the senior management involvement in project management when strategy is implemented through projects. Englund and Graham (1999) mentioned that "*if upper managers do not model desired behaviors, there is little hope that the rest of the organization can do it for them*". To conclude literature, top management need to support strategic project management and manage people's reactions to change. Summary of the literature is presented in Table 7.

Table 7 *Summary of project implementation literature*

Reference	Method and context of the research	Results	Shortcomings
(Englund, Graham 1999)	Examples from global technology company	Upper managers can enhance an environment for more successful projects. Upper managers teamwork offers a model for prioritizing projects that support corporate strategy. Steps in linking project to the strategy constitute a process and process tools help to prioritize projects. Systematic approach is necessary.	Focuses on upper management activities
(Fortune et al. 2011)	Survey in Australia, Canada and UK	Most cited critical success factors in project management are: clear goals, realistic schedule, support from senior management and adequate resources. Project management practices are similar in these three countries.	No specific industry Limited countries
(Papke-Shields, Boyer-Wright 2017)	Empirically testing hypothesis with survey	Strategic planning methods and characteristics can be applied to project management to eventually have more successful projects.	No exhaustive list of strategic planning characteristics. Hard to find a consistent pattern with this scope and geography.

2.3.5 Project Monitoring, Ending and Learning

Based on Hazir (2015) to pursuit efficient management coordination, monitoring and control functions have increased their importance. Based on Project Management Institute (2000) original project scope and performance baseline should be monitored by tracking and managing changes in the baseline in integrated change control of the project. Integrated change control includes following performance metrics, ensuring changes in scopes, coordinating changes across areas (PMI 2000). Hazir (2015) stated that monitoring policy and intervention & control policy should be defined in effective system and control system is essential in project-based companies. Figure 14 presents how changes are coordinated across the project.

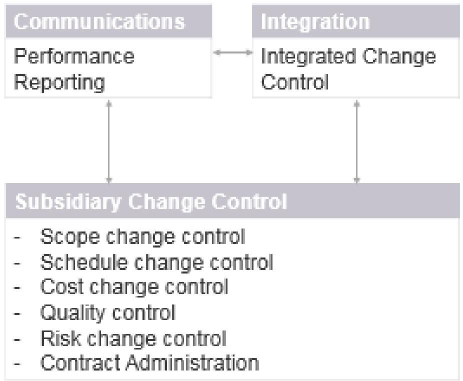

Figure 14 *Coordinating changes across the entire project (modified from PMI 2000)*

Project should be monitored base on controlling scope, schedule, cost changes, quality, risk changes and contract administration (PMI 2000). Performance reporting involves collecting and analyzing performance data, such as status, progress and forecast, and communicating that to relevant stakeholders. Inputs for performance reporting are project plans, work results and other project records. Tools and techniques for analyzing project performance are: performance reviews, variance analysis, trend analysis, earned value management, information distribution tools & techniques. (PMI 2000)

Based on Acebes et al. (2014) in project control Earned Value Management (EVM) is widely used, as it integrates scope, schedule and cost control. The EVM is measuring how the project is progressing based on budget and schedule related to original plans. Different variances of EVM, such as cost variance, schedule variance and performance indexes, help the project managers to monitor the project progress. (Acebes et al. 2014). Example project performance report is presented in Figure 15.

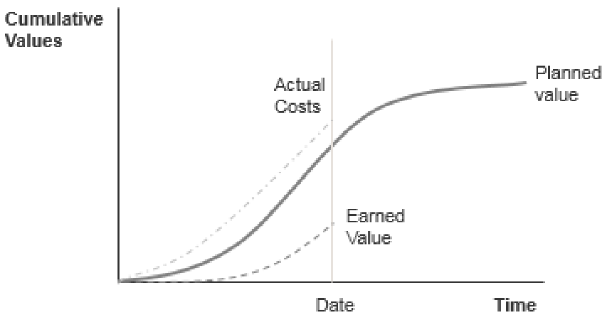

Figure 15 *Example performance report (Modified from PMI 2000)*

EVM is more suitable for project-based companies, therefore it is slightly heavy for consumer goods company. Evaluating strategic projects success can be measured with meeting the business objectives (Pilpola 2017). Based on Aubry et al. (2007) financial measurements are alone not enough to give correct picture about the project value, due to project success is a vague estimation. In orders, to control strategic projects efficiently there need to be both tracking the traditional scope, cost and schedule but also meeting the strategic objectives. According to Vanhoucke (2019) performance systems should be used to get warning signals about problems in the strategic projects. Corrective actions need to be made based on the warning signals, and that requires setting limits for performance metrics (Vanhoucke 2019).

Output of performance reporting are performance and change reports. Change requests and performance of project is reported to the portfolio, where overall picture of project portfolio progress is formed. Outputs from integrated change control are project plan updates, corrective actions and lessons learned. (PMI 2000).

Last step in Figure 8 is project ending and learning. This is important step due to it ends work of project team and the project outputs become visible. Project ends after the defined scope and outcome is received or the time limit is faced. After every project learnings should be collected. Learning from the projects can be used to define new corporate strategic priorities and make project management more efficient (Hyväri 2014).

2.3.6 Summary of Strategic Project Management Research

Most of the literature discuss the link between business strategy and project management, not corporate strategy. However, corporate and business strategies both have same features. Table 8 summarizes the literature discussion about corporate management leading strategic project.

Table 8 *How should corporate management lead their strategic projects? Answers based on previous empirical research*

Reference	Results
(Englund, Graham 1999)	Upper managers can enhance an environment for more successful projects. Upper managers teamwork offers a model for prioritizing projects that support corporate strategy. Steps in linking project to the strategy constitute a process and process tools help to prioritize projects. Systematic approach is necessary.
(Morris, Jamieson 2005)	Moving from corporate strategy to a project is a systematic way that include processes, practices and people. Resource management critical factor. Strategies should be aligned moving from corporate to projects to individual objectives.
(Patanakul, Shenhar 2012)	Emphases the importance of strategic project management. Project strategy leads to better business results. Defined project strategy and its components. Project strategy guides project execution.

Reference	Results
(Unger et al. 2012)	Project portfolios ensures the strategy implementation by seeing the portfolios strategic fit and termination of not-strategic projects. Senior management involvement needs to be in optimal degree to have positive effect on project termination.
(Alsudiri et al. 2013)	Internal factors that affect alignment of project management and business strategy are: communication, executive support, involve PM in the strategy development, PM leadership competence and departments support. Strong alignment lead to successful projects.
(Hyväri 2014)	Interconnection between company strategy, project portfolio and projects. People challenges in managing project portfolio. Explained how case company linked strategy to PPM.
(Hyväri 2016)	Define roles for top management and organizational project management in company strategy implementation. Importance of clear roles and responsibilities, communications and reaction to changes in environment. Structure of PMO depends on organization's needs and they are responsible of ROI of project portfolio according to strategy.
(Musawir et al. 2017)	Effective project governance improves directly projects success. Benefit management is one of the processes of project governance to improve project success. Aim of the project is to realize benefits. Supports strategy implementation through projects.
(Papke-Shields, Boyer-Wright 2017)	Strategic planning methods and characteristics can be applied to project management to eventually have more successful projects.

Key elements in strategic project management based on the literature are: engage senior management, employees and project management to deliver results, systematic management approach and use of common tools, clear roles and responsibilities and project strategy link to corporate strategy. Martinsuo and Hoverfält (2018) on their analysis of patterns of previous empirical research recognized the need for further research etc. capabilities of different players in program management also the coexistence and interaction of multiple programs. Based on Hyväri (2014) more research on practices to improve the effectiveness of PPM need to be done.

There is enough evidence that we can say that project approach for implementing corporate strategy creates benefits:

1. Efficient and systematic implementation of strategy
2. Flexible structure with enough resources
3. Clear targets and progress
4. Motivated people to do the work

These benefits increase importance in consumer goods industry, where fast reaction to consumer changes is required. No need to re-invent the project or strategy, but to find relationship with corporate strategy implementation and project management.

2.4 Synthesis: Corporate Strategy Implementation through Strategic Projects

2.4.1 Previous Literature Analysis

There have been empirical studies about implementing corporate or business strategy with projects starting from 1990. Simons (1994) studied how control systems are part of strategy implementation. McElroy (1996) researched implementing strategic change through projects. Grundy (1998) found that strategy implementation tools and practices can be cross-fertilized with project management to get synergies. Kaplan and Norton (2001) emphasize that corporation needs to turn into strategy-focused-organization. Shenhar (2004) explained seven principles of strategic project leadership that help to conclude what corporation needs to do to ensure implementing statically important projects. Morris and Jamieson (2005) explained systematic way from moving from a corporate strategy to a project strategy. Claude and Hanley (2007) noticed that lack of commitment from senior managers and lack of resources in project management disables strategy implementation. Saunders et al. (2008) developed a strategic initiative deployment framework. Hyväri (2014) showed case example how strategy can be implemented with project portfolio management. Hyväri (2016) defined the roles of top management and organizational project management in strategy implementation in project approach.

Previous literature answers to how corporate management implements corporate strategy, with various frameworks and models. Previous academic literature solves how to formulate strategy and turn it into action, how to align strategy to every level, efficient strategy implementation procedures and what kind of leadership needed. Leadership practices are similar across industries; therefore, they can be used in consumer goods industry context. There is still lack of understanding how corporate best drives strategy in branded consumer goods industry (Smith 2009). There is understanding that flexible structures support fast changes in the consumer goods industry, but how these structures are designed to support strategy implementation are still without discovery. There is not enough literature about management systems that support efficient strategy implementation in consumer goods industry. Therefore, with benchmark study we try to understand how the management system links with corporation strategy.

To answer "*How should corporate management lead their strategic projects*" previous literature review explains how strategy is turned into project strategy, what lead to successful strategic project execution and strategic project leadership without industry specification. Managing a single strategic project is similar across industries but managing the strategic project portfolio needs further industry specification. There are multiple ways to manage the project portfolio, but literature is missing how to manage strategic project portfolio in consumer goods industry concept not in project-based companies.

2.4.2 Key Areas in Strategy Implementation through Projects

Organizational structure, management systems and leading strategic change needs to support the strategy in action like in Figure 3. Corporation needs to have a clear role compared to SBUs, and corporation need to focus on value adding activities such as aligning strategic vision, facilitating synergies and coaching managers to support efficient execution of corporation strategy (Johnson et al. 2009). Bureaucracy should be minimum, and transparency is key. Change is not happening only with processes or organizational charts, you need to get people moving with information flow and decision rights (Neilson et al. 2008). When strategy is formed it needs to be translated into projects and actions (Kaplan, Norton 2008). Table 9 summarizes the key area in implementing corporate strategy through strategic projects based on previous literature.

Table 9 *Important areas in implementing corporate strategy through strategic project management based on literature*

What is important?	Characteristics	References
Clear strategy	Strategy is clear, and it sets priorities	(Jarzabkowski, Spee 2009; Claude, Hanley 2007; Guffey, Nienhaus 2002; Parnell 2003)
Engaging strategy process and concrete actions	Engage people – senior managers are involved to decisions that impact them	(Shenhar 2004; Alsudiri et al. 2013)
Clear structure aligned with strategy and operations	Common goals, monitoring, transparency Select right project type and management style	(Johnson et al. 2009; Kaplan, Norton 2008; Shenhar 2004)
Management and control systems and tools	System for linking strategy to operations. Performance measuring and monitoring. Systematic follow up	(Papke-Shields, Boyer-Wright 2017; Kaplan, Norton 2008; Simons 1994; Gimbert et al. 2010)
Defined roles and responsibilities	Project plan and ownership well planned. Resource management is a critical factor in moving from corporate strategy into project execution	(Hyväri 2016; Lehtonen, Martinsuo 2008; Lehtonen, Martinsuo 2009; Morris, Jamieson 2005)

What is important?	Characteristics	References
Communication and leadership	Turn managers into leaders, responsible of business results, create project spirit that motivates, share knowledge between strategy and project management teams. Communicate in every term why and how implementation is going.	(Shenhar 2004; Neilson et al. 2008; Alsudiri et al. 2013)
Alignment in strategy	Corporate strategy needs to be aligned in every level of organization. It is done with concrete targets and prioritization. Transparency and integrated hierarchical plan are important.	(Morris, Jamieson 2005; Patanakul, Shenhar 2012; Englund, Graham 1999; Shenhar 2004; Alsudiri al. 2013)
Portfolio management	Overall picture of the strategic projects ongoing and in the future. Clear project selection, group project based on impact. Lessons learned	(Shenhar 2004; Aubry et al. 2008; Unger et al. 2012; Hyväri 2014)

To conclude, there are multiple factors that need to be taken into consideration when implementing corporate strategy. However, both strategic management literature and project management literature emphases the importance of alignment. Alignment need to be from corporate strategy to business strategy, but also in aligning operations and targets in every level to match the strategy. Project strategies and plans need to be aligned with the corporate strategy that is being implemented. There should be alignment in strategic and project specific targets. Alignment is created with systematic planning, defined roles and responsibilities and transparent communication (Gupta 1987).

Both strategic management literature and project management literature also agree that monitoring and measuring the progress will increase focus to right actions. With systematic monitoring problems can be seen earlier and make corrective actions. Monitoring should focus on achieving the strategic objectives mentioned by strategy implementation and strategic project management literature.

All in all, there are no major conflicting areas in strategy implementation and strategic project management literature. They complement each other. Therefore, corporation needs both strategy implementation and project management knowledge in the organization to achieve efficient strategy implementation through strategic projects.

3. RESEARCH METHODOLOGY AND MATERIALS

3.1 Research Approach and Strategy

Research approach of the thesis is abductive, where empirical research has dialogue with literature. Key concepts are formed from literature and translated to suit consumer goods industry and the case company based on empirical research. Qualitative research wants to understand the phenomenon in its real operating environment.

The study is done as multi-method case study research. Case study strategy involves an empirical investigation of certain a phenomenon in its real-life context with multiple sources of depositions (Robson 2002 p. 178). The case study strategy gives deep understanding of the context of the study and helps to answer "why?" questions. It describes the certain phenomenon and makes observations of it. (Saunders et al. 2009 pp. 145-146) Time horizon of the research is cross-sectional where phenomenon is studied in particular time. (Saunders et al. 2009 p. 155).

The research is using multi-method research choice to combine data collection techniques and analysis procedures. Multi-method allows the use of several different methods to collect non-numerical (qualitative) data (Saunders et al. 2009 p. 152). In qualitative analysis there is a need to understand reasons behind the answers (Saunders et al. 2009 pp. 480-482). Methods are internal interviews and one workshop in the case company, benchmark similar industry companies and other secondary case company material, for example Employee's Engagement Survey (EES) 2018 done it the case company.

3.2 Case Introduction

Based on company history, organizational culture and mergers and acquisitions (M&A) the case company has been siloed between different functions and teams. In addition, the brands are very independent, have different business logics and little interaction between each other. That makes the corporation management complex. Employees are also confused about the complexity of the corporation and have difficulties to see the strategic direction and strategy link in their day-to-day tasks, based on EES 2018.

Neilson et al. (2008) brought up that strategy implementation is slower in siloed organizations compared to more transparent organizations, that is also seen in case corporation leadership team.

The company today consists of two strategic business units (SBU), Supply Chain (SC) and support functions: Information Technology (IT), Finance and Human Resources (HR). The corporation can be defined as matrix organization. Figure 16 presents the organizational structure of the case company.

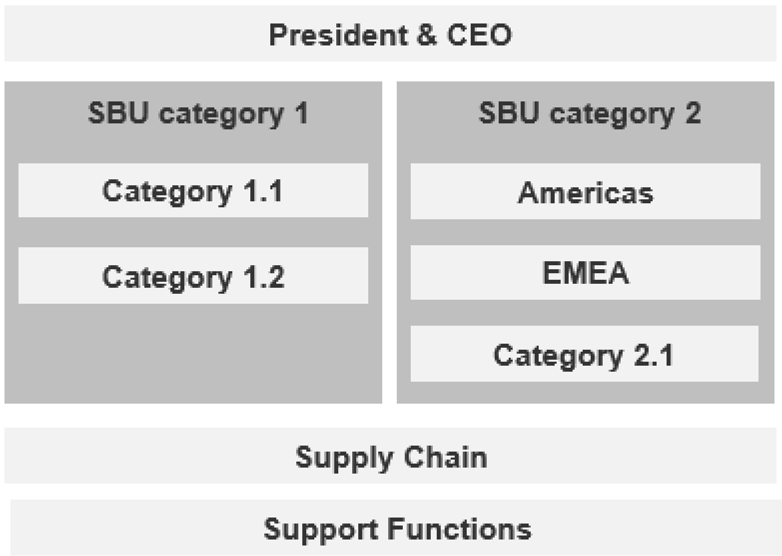

Figure 16 *Organizational structure of the case company*

SC, IT and HR have their own project management offices (PMO) that manage different kinds of projects such as strategic, investment and development projects in their function. Rest of the functions do not have so established PMO or project portfolio management, but SBUs have business development managers in charge of development projects. There are more than 100 normal projects going on in different parts of the organization.

There is no corporate level project management organization and there is no visibility between what projects are ongoing in different functions. In addition, there is no common structure for managing cross functional projects or measuring them. There are 11 strategic projects in different phases in the corporation. That leads to overlapping content, work and resources. Therefore, no one has an overall picture about what strategic projects are carried in different functions and different legal entities. Due to bad communication of the strategy and its key strategic projects, functions run their own projects that do not match with the corporate-level strategy. That makes managing corporate level strategic projects difficult. In addition, the whole strategy process has evolved during the years and there is no suitable strategy implementation follow up system for the new needs.

3.3 Research Process

Research process starts by understanding the case company's current state, problems and future needs of strategy implementation through project management. Secondary data and internal material such as employee engagement survey 2018 are analyzed to understand the current state of strategy implementation, the history of the case company and how it has become the corporation that it is today. Background information is gathered by discussing with employees and reading annual reviews and other publications.

The literature review helps to understand the current academic discussion, explain the key concepts and their links to each other and find relevant frameworks to suit consumer goods industry. The research questions are answered based on the current literature. Limitations of current literature are found and based on the limitations empirical study is conducted. Good theoretical strategy execution framework needs to be tested and finetuned based on the results (Richardson 2008). Literature frameworks are used to plan interview questions and structure discussion chapter.

Interviews are the key method for data collection in this study. Interviews seek broad understanding on how the corporation has implemented strategy through strategic projects. Various managers from different areas of the organization are interviewed to get broad viewpoints. Questions for target group one and two, as well as for benchmark interviews are formed based on literature classification. With benchmark, understanding of current situation in corporate governance, strategy implementation and strategic project management in the consumer goods industry is collected. Benchmark tries to find management models from similar corporations. Benchmark materials are collected from interviews, annual reviews and other articles.

Interview results are analyzed by categorizing problems and development ideas based on literature classification (corporate governance, strategy implementation, strategic projects and portfolio management). Good citations are collected to give better understanding for the reader. The results chapter is organized based on literature classification.

The findings collected from empirical research are reflected against current literature in discussions chapter. Key findings of the research are done based on the results and literature. Also, one workshop was organized to finetune and present the findings. Differences between the case company and literature findings are analyzed and development plan for the case company is presented.

Impact of the results is analyzed in conclusions chapter. Conclusions chapter summarizes the study and gives a practical implication for other companies. Research process is presented in Figure 17.

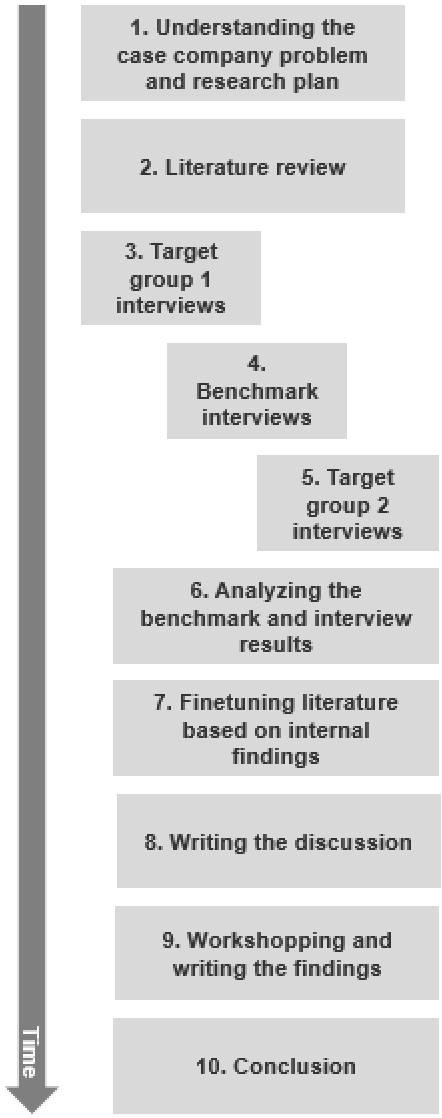

Figure 17 *Research process of the study*

3.4 Interviews Data Collection and Analysis

Interviews were dialogic, semi-structured theme-interviews, where themes are found from theory. Internal interviews exploit the same literature operationalization table than benchmark interviews. Interview questions will be ready planned, and they will vary depending on a position of interviewer. Interviewees are from various positions like group leadership team, senior managers, business managers and PMO managers in the organization to get comprehensive understanding. Interviews can be categorized into two categories: current state interviews and detailed theme interviews. Interview process started with current state interviews.

First target group was the case company´s leadership team. Seven individual interviews with durations of 30 minutes were held. Leadership team´s interviews focused on understanding the current state of strategy process and what are the major problems in the corporation. Interview themes were: Corporate management, corporate strategy, strategy implementation and project and portfolio management. The first target group interview questions are showed in Appendix A. The first target group interviewees are cited with markings A1 to A7 to keep them anonymous. In addition, corporate compliance offices were interviewed to understand the case company background, duration was 60 minutes and marked with A8.

The second target group included more operational senior managers and PMO leaders. 12 detailed theme interviews were held about corporate management, strategy implementation process and project management. Table 10 presents the internal interviewees. These interviews were recorded. The second target group´s interview questions are presented Appendix B. Interviews are marked as B1 to B12.

Table 10 *Internal interviews target group 2 members*

Interview	Position and department	Organizational position	Duration (min)
B1.	IT PMO manager	Director	52 min
B2.	SC Improvement and project management	Director	55 min
B3.	Finance development & project manager for strategic project	Director	50 min
B4.	SC leader for SBU	Senior Vice President	47 min
B5.	BU leader	Senior Vice President	32 min
B6.	SBU brand and marketing	Senior Vice President	46 min
B7.	Group strategy manager	Senior Vice President	48 min
B8.	HR development manager	Manager	47 min
B9.	SBU development project manager	Manager	55 min
B10.	Transformation and change management, HR	Senior Manager	50 min
B11.	Business and product management	Vice President	47 min
B12.	IT business development and program manager	Director	53 min

Interview answers were collected to an Excel sheet and then categorized. Target groups were kept separate when analyzing the results. In target group one answers´ key problems were recognized and grouped into bigger problem areas. Then the number of times mentioned per problem area were calculated. Problem areas are fitted to literature classification.

In target group two categories were based on literature (corporate governance, strategy implementation, strategic projects and portfolio management) were used. Then problems and development needs related to each category were found. That explains the structure of the results chapter. Analysis based on how often certain problems were repeated, what were the biggest problems and needed improvement actions. Best quotes were picked from the answers. Conclusions were drawn based on most mentioned problems and development needs.

3.5 Benchmark Data Collection and Analysis

Four benchmark interviews were conducted to gain understanding about how other companies are implementing strategy and managing their strategic projects. Benchmark firms were selected from consumer goods industry or technology industry or they were recommended from inside the organization. Possible benchmark companies were contacted, and four firms wanted to participate in the study. List of benchmark companies and their interviewees is shown in Table 11. Benchmark interviews are marked as C1 to C4 later in this study.

Table 11 *Benchmark companies and interviewees*

Interview	Position in the organization	Company introduction	Duration
C1.	Head of Strategy Development and Market Intelligence	Global technology corporation	55 min
C2.	Senior manager, Strategy Development and Portfolio Management	Global corporation with various sports related brands	55 min
C3.	Vice President, Strategy	Global oil refining and -marketing company	53 min
C4.	Development Manager, Strategy	Cooperative enterprise with various business lines	54 min

Benchmark interviews were dialogic and semi-structured theme-interviews. Questions are formed with literature operationalization table, seen in Appendix C. Benchmark questions try to answer the research question and try to understand, if different corporate role and management model affect strategy implementation through strategic projects.

It was interesting to find what are the similarities and differences between the strategy implementation processes in benchmark companies and why. Benchmark interviews provide understanding of how strategy implementation process reflects what the company is about, and what the major design elements in their process are. There is a need to understand where the differences come from, for example is it industry driven or based on organization culture and structure. The case company is compared to the benchmark firms. The corporation should avoid benchmarking against other organizations that fail to account for differences in their corporation strategies (Collis et al. 2007). Best practices are found and their fit to the case company is analyzed.

Interviews were recorded, and answers were collected to an Excel sheet. Information was summarized based on literature classification (corporate governance, strategy implementation, strategic projects and portfolio management) to a table where differences and similarities were easy to see. With the same classification in benchmark and internal interviews the implications for the case company was easier to analyze.

3.6 Workshop Data Collection and Analysis

One workshop was held with A4 who is responsible for the strategy process in the case company and person B7 from second target group. The workshop was organized to discuss about findings and validate the results. Workshop discussed:

- What learnings the case company can use from the benchmark firms. What were the best practices and what was common in all the companies.
- What were the internal needs for strategic management based on interviews.
- How strategy process is going to change and what is the overall structure of strategic management.
- What to consider when making the strategy implementation follow up system.

Duration of the first workshop was 1 hour 20 minutes. The workshop started with presentation about the benchmark and internal interview findings. Then there was open discussion about how the case company should leverage the findings. The outcome of the first workshop was the new strategy process structure and defined needs for strategy implementation follow up system.

3.7 Secondary Data

With secondary data, the case company specific problems, that disable corporate management to drive corporate strategy and lead their strategic projects are found.

Internal material is important to gain understanding about the strategy and ways of working. The secondary material helps to understand the current state of strategy and strategy implementation process. Strategy related material is shared with SharePoint, intranet or email and they are mostly presentations and videos. Case company historical data is gathered from company annual reviews.

Employee engagement survey (EES) results are also used to understand the current issues and needs. The survey has been done every year starting from 2016. In 2018 5989 (80%) of employees responded to the survey. Survey is one way to track the success of strategy implementation in employee perspective. Survey gathers quantitative data with structured questions. Relevant questions based on the study are presented in Appendix D. EES results were used to understand the current state of the case company's strategy implementation.

4. RESULTS: STRATEGY IMPLEMENTATION AND PROJECT MANAGEMENT

4.1 The Case Company History and Current State of Corporate Strategy

4.1.1 History of Case Company Corporate Governance and Strategy

In order to understand the future, we need to investigate the history (Brown, Eisenhardt 1997). In a big corporation a major transformation does not happen overnight; therefore we need to understand the history of a company to truly understand its current state. The case company has a long history starting in the seventeenth century; however, in the last 15 years it has transformed its business, which has led to its current state. Figure 18 presents the corporate governance history of the case company based on the case company´s annual reports and A8 interview.

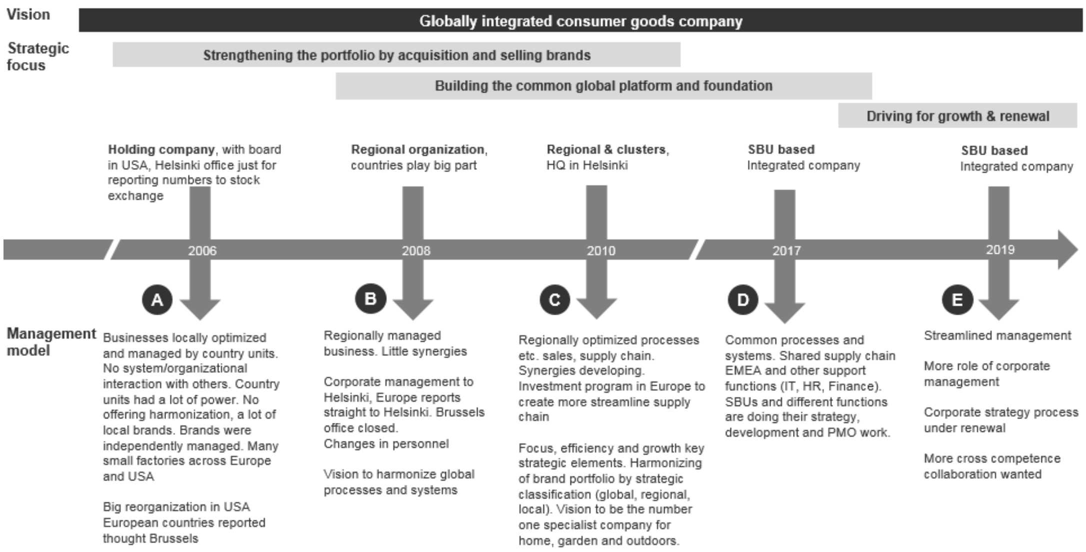

***Figure 18** Corporate governance development of the case company 2007–2019*

There is clear development in recent decades in the corporation governance style. In 2006 the corporation was strictly a holding company with many brands and countries exercising individual management. The strategic focus was on strengthening the brand portfolio by acquiring and selling brands. Starting in 2008 the corporate vision was to harmonize global processes to build a globally integrated consumer goods company. That meant streamlining the brand portfolio and building common functions. During the years 2008–2017, strategy focused on building a common global platform and foundation for an integrated consumer goods company. That has led to, for example:

- More centralized corporate government and support functions
- Country units with reduced power
- More transparency
- Synergies, increasing efficiency, cost savings
- Need for greater cross functional collaboration

These transformations were huge for the case company and required many resources. When corporations focus mostly on building a common platform and capabilities, there is not enough focus on growth. During the years 2007–2018, organic growth has been quite small; however, M&A increased the corporation's revenue.

The year 2017 took the transformation into its final stage by introducing SBU structure and focusing on more growth and renewal in corporate strategy. The corporate leadership team experienced changes after the new strategic focus. However, building common platforms, processes, and ways of working are still ongoing in the case company.

Elements affecting the transformation were both internal and external based on A8 from target group one. The competitive environment and legislation changes require more control and transparency from the corporation over its affiliates. Internally, the new chief executive officer had a strong vision for the case company. Still, corporation management thought the changes were faster than they were. There were multiple factors affecting the speed of the transformation, for example, lack of change management, resources and IT capabilities.

4.1.2 Corporate Management and Strategy Current State

Target group one (the corporate leadership team) had an understanding of the role of corporate management as the purpose that ties brands together by common culture and ways of working. Corporate management creates and facilitates common direction for businesses and creates value by working together. Corporate management needs to see the bigger picture and where to get synergies between functions. "One company, one wallet" is the new ideology, and the corporation wants to leverage the integration between SBUs and functions to reduce costs.

SBU and function managers in target group two see the role of corporate management more as a function that creates long term-focus and vision. The majority of target group two says corporate management sets strategic direction and ambition level and guides businesses towards that. In addition, it sets priorities and allocates resources based on strategy. It should help to facilitate cross functional collaboration, define roles and responsibilities, and develop organization to fit the strategy. According to half of target group two, corporate management should also give tools for implementing strategy and have a common approach for changes in the environment, for example, sales channel changes. Now people feel stuck in their linear organization lines, due to cross functional collaboration not being facilitated enough. Also, reporting and rewards are not supporting cross functional project work. Some of the target group feels that there is a lack of common vision still.

Therefore, there are some problems understanding the current role of corporate management, due to its changes in recent years. The history of the corporate transformation is seen in the different perceptions of the role of corporate management by the target groups. Target group one focuses more on building a culture than target group two. Target group two expects more support and direction from corporate management than target group one has given. Still, both target groups think that corporations need to facilitate collaboration between different functions and develop synergies. The most important tasks of corporation management, based on the majority of both target groups, are strategy development and guiding businesses in the same direction.

Previously, brands had more power over their own strategy, according to some in target group two. Brands defined the strategic focus and then got an approval from the corporate leadership team. Now corporate management has taken more responsibility in defining brand portfolio development. SBU leaders in target group two hope brand portfolio management brings clarity to what corporate managers want from brands and how internal development is facilitated.

Corporate management has had quite a structured strategy process in recent years according to some in target group one. There is a yearly strategy clock that guides strategic planning, decision-making and communication strategy to the board of directors. The old strategy clock starts at the beginning of the year with market and consumer trend analyses and examines the current state of businesses. Based on the analyses, key initiatives and projects are formed and prioritized based on the corporate leadership team's discussion. At the end of quarter one, the strategic decisions should be made and how to implement them assessed. Then corporate strategy is turned into SBUs' deep dives and function business plans. At the end of the year, budgeting is based on the strategy and targets are set for the next year. Implementing the strategy is mostly SBUs' responsibility, and the corporate leadership team follows the progress only at the end of the year. The case company strategy timeline is seen in Appendix E and it done by secondary data and target group one interviews. The corporation leadership team has faced changes in recent years that caused inefficiency in the strategy process when people had different viewpoints.

Overall the case company has developed the corporation into a more integrated consumer goods company, not just individual brands in a holding company. The corporate strategy did not change much between 2018 and 2019, but the strategy process was fine-tuned to fit the new internal environment. In the 2019 strategy process, the priorities and their roadmaps were defined in more detail, and decisions about new market entries were made based on some in target group one. 2019’s strategy was more focused on strategic projects and their goals. More senior managers were engaged in the 2019 strategy process than in previous years, which received good feedback from SBU senior managers according to some target group one members. Still, lower-level employees´ mindsets are not changing to fit the new strategy and ways of working according to the majority of target group two.

The case organization is budget-driven. The new strategy is fitted to the yearly budgets, but often the budgets stay the same year after year with minor changes, say some of target group one. That has caused problems to develop in businesses quickly. Based on SBU leaders in target group two, sometimes corporate and business strategies might have mixed targets and objectives. The group focuses on growth, but businesses just have profitability targets in their budgets. Either they break their budget or then growth is flat.

Communicating the strategy to the whole organization is quite minimal based on the majority of target group two. During summer, corporate strategy is communicated to the whole organization with town hall events and intranet posts. SBU and function managers that have been part of strategy formulation have the responsibility of translating the corporate strategic message to fit their line organization. Therefore, different functions have different amounts of information and styles of communication about the strategy and how it relates to employees’ work. The top 100 senior managers have around two to four calls yearly to discuss corporate strategy. Senior managers then have the responsibility to communicate the strategy to their teams and functions. Middle managers should try to link the corporate strategy to their own and their employees’ work. Often the information does not flow to lower-level organization as planned, based on half of target group two. Also, based on the EES results, 68% of employees believe in the corporate strategy and 72% understand the strategy.

Both results decreased from 2017 by 4–5%. Therefore, it can be said that communication about the strategy and reasons behind strategic decisions should be communicated better to the whole organization.

"*Still a bit unclear who is responsible for what, what are the group level processes and what are the relevant meetings*." (B11)

Overall strategy-related work and discussion is kept in very high levels of the organization according to the majority of target group two. Little strategy-related discussion and target-setting is done in the lower levels of the organization. Therefore, in the lower levels of the organization, people do not understand the strategy and cannot link it to their everyday work. There are difficulties in changing mindsets, focus or ways of working in lower levels based on the strategy. That leads to the point where no changes are happening in the more operational levels of the organization. People keep doing the same work, if they are not informed properly about how the strategy relates to their work and how they need to change. Therefore, more change leadership and strategy-related discussion needs to go to every level of the organization systematically, based on the majority of target group two.

Both target groups have seen problems in corporate management and strategy. Table 12 summarizes the problems mentioned by both target groups with literature classification.

Table 12 *Problems in corporate management and strategy based on both target groups*

Literature classification	Problems mentioned by target group one (times mentioned/ # interviews)	Problems mentioned by target group two (times mentioned/ # interviews)
Mechanisms, processes	Targets unclear (6/7)	No clear balance between group related tasks and day-to-day responsibilities (4/12) Constant and open communication and communicating what is in it for me (12/12)
Distribution rights & responsibilities	No defined roles and responsibilities (5/7)	Lack of resources and capabilities to deliver targets (6/12)
Decision-making procedures	Lack of leadership and mindset change (5/7)	No concrete actions for strategy. No-one is managing the strategy into action (10/12)
Strategy development and alignment	Lack of transparency of strategy work (5/7) Doing too much when not prioritizing (5/7) Not concrete actions for strategy (5/7)	Lack of transparency in strategy formulation and other functions actions (8/12) Lack of prioritization and slow execution when everything is done at the same time (9/12)

Literature classification	Problems mentioned by target group one (times mentioned/ # interviews)	Problems mentioned by target group two (times mentioned/ # interviews)
Parenting advantage		No overall picture of strategy, ambition and actions needed (8/12)
Value creation		Losing brand identity if everything is forced into one culture (2/12) Not understanding the customer in the group strategy (3/12)
Supporting businesses	Lack of communication to right people (7/7) Lack of cross business/functional alignment (6/7)	No clear roles for support functions (5/12) Collaboration is difficult with different functions due to culture (5/12)

Target group two sees communication and transparency as a bigger issue than target group one. Communication is not facilitated well enough between SBUs, corporate management and functions. With the lack of open communication, a lot of projects overlap and actions are done in parallel in functions. On the top level, strategy is clear, but the difficult part is to transmit it to lower layers. When the strategy and its priorities are not clear, functions cannot plan their operations and things are done ad hoc.

The corporate strategy process has moved slightly into a more concrete level with a few more senior managers' engagement in the process. However, there are too many strategic projects planned based on target group one. Target group two also sees the resource allocation problem. There are no tools to prioritize strategic projects. Previously, management was done more on gut feeling, based on target group one. Therefore, overall systematic ways of developing corporate strategy are missing. Target group two members feel that roles and responsibilities are not defined, and cross functional collaboration is not facilitated well enough.

4.1.3 Improvement Needs in Corporate Management and Strategy

Based on some of the target group, a corporation needs to make tough decisions that shape the future, not just fine-tune old strategy. Due to external changes, there is need to answer strategic questions quickly, for example, when expanding into new markets. Corporations need to find the right ambition level given the risk level of the strategy. For example, based on responses from some of target group one, when expanding into new markets, risks need to be tolerated and buyback time needs to be on the right level. Strategy should include around three priorities that really guide decision-making. The whole corporation needs to ask "*What makes us stronger together?*" and how the corporation brings value to its different businesses. Target group two, by contrast, mentioned that there needs to be prioritization between brands, markets and channels coming from corporate management. Target group two focused mainly on concrete actions that guide businesses. Strategy should be more concrete action not just fancy works as was said:

"*Should not drown in jargon, strategy should be concrete actions*." (A3)

Strategic ambition should be slipped into a clear target, along with roadmaps and performance metrics that guide strategy implementation, according to a majority of both target groups. Target group one also wants to improve the systematic way of planning and implementing strategy. The strategy implementation process should be visible, with everyone knowing their responsibilities. Reporting should follow the strategy, as mentioned:

"*Strategic goals should be turned into short term plans and roadmaps. Still we cannot mix operational level reporting and strategic actions in reporting*." (A4)

Based on priorities and targets, ownership should to be given to someone. The majority of both target groups think that businesses are responsible for implementing strategy and they should have ownership. Target group two mentioned that SBUs still cannot do everything alone and they need help in allocating resources, developing capabilities and facilitating cross functional discussion. Investments should be aligned with the strategic priorities, as cited by a minority of target group one.

Some of target group one think that the strategy process should be more engaging. People from SBUs and functions should be engaged and facilitate discussion. Communication is the difficult part, as there is never enough communication about strategy, mentioned a majority of target group one. Communication should be constant about the progress of the strategy process, its current state and future development directions. Strategy should inspire people and the message should include "*what is in it for me?"* thinking, based on a majority of target group one. Businesses, functions and teams should think how strategy relates to their work; however help is needed from corporate management, based on some of target group two.

4.2 Strategy Implementation in Case Company

4.2.1 Strategy Implementation Current State

A majority of both target groups mentioned the lack of systematic ways of working as a major issue in strategy implementation. Some of target group one mentioned that systematic follow-up about strategy implementation progress and strategic direction is totally missing at the corporate level. At the senior management level, systematic follow up is also missing and leading to problems, for example:

"*Following progress of strategy is inadequate. We do not get back to the projects and programs when they are finished and then we repeat the same mistakes repeatedly*." (B11)

SBUs and functions are responsible for implementing corporate strategy as well as their own business strategy. The corporate leadership team has given a lot of responsibilities to SBUs but never given much support, as mentioned by some of target group two. There is no clear ownership nor support for the cross competence development that the new strategy requires. Roles and responsibilities are not defined properly and there are not enough resources for new cross functional collaboration. It seems that target group one expects new ways of working, but employees at lower levels have not heard the message. For example:

"*Actions in business units do not support the strategic priorities. There has been [a] lack of common vision*." (B7)

When implementation follows line organization, middle managers have a lot of responsibility for communicating strategy to their employees and delivering progress. In addition, ways of implementing strategy have varied between SBUs and functions, due to there being no clear implementation process set by corporation management. Every function does what they think is necessary for them, not for the whole corporation, explains a minority of both target groups. For example, supply chain planned their own strategy implementation process because there was no corporate-level implementation process, according to a target group two member.

"*When there is no structure, everyone tries to yell at the same time and get their wants through without thinking others. In IT we need to someone from Group management to say that these are the priorities and we do not do anything else*." (B1)

Strategy has not been concrete enough to turn it into action, and conflicts arise from ambiguities. Based on the EES results, 80% of the employees understood how their job is linked to corporate strategic priorities. Target group two saw understanding strategy as a major problem, and it was described as:

"*Core people need to understand the strategy, approve it and act based on it every day to ensure the implementation of strategy*." (B6)

"*Strategy is seen far from day-to-day work, therefore we do not think ahead. Also, there are no clear common interests*." (B10)

One reason why people do not understand the strategy is lack of communication, based on a majority of target group two. Communication about the progress of strategy implementation and actions required has not been repeated enough. An HR professional concluded:

"*Action requires a lot of repeating the message, personal understanding and making the change visible. For example, bonus targets and reporting responsibilities, there always needs to be personal interest to act. We are lacking that*." (B10)

Some previous strategic projects have been too big with no clear start and ending. That has made strategy implementation very slow, and people have gotten frustrated. Implementation is also slow because the current organizational structure does not support new ways of working, based on some of target group one. All in all there is no management system for strategy implementation.

Employees' own targets and performance goals were not linked to group strategy before 2019. Some senior and middle managers had their targets based on business or functions strategy. Then there were changes to personal goal setting in spring 2019. Every employee had a few personal goals and a few shared goals coming from SBU or functional level. This change was seen as good by a majority of both target groups. Some targets were still difficult to understand and act on, based on the target, therefore there is lack of alignment with the strategic goals.

"*On the high level everything is clear, but at the lower levels of organization, information flow is very tortuous. Information flow to lower levels needs to be clarified*." (B5)

Based on a majority of target group two, there has not been any change management for implementing new cross competence ways of working and a more open culture. Culture does not change without change management. The organizational capabilities are not exploited well enough, based on some of target group one. Learnings from strategy implementation and project management are not collected anywhere nor used later, as mentioned by a majority of both target groups. Table 13 summarizes the problems in corporate strategy implementation in literature categorization.

Table 13 *Corporate strategy implementation problems summary*

Problems found from literature	Problems mentioned by both target groups
Unclear strategy and priorities	Not understanding the strategy or lack of priorities (8/12) Strategy has not been translated into action (6/7) SBU strategies are not aligned with corporate strategy (4/12)
Not enough attention or planning for strategy implementation	Missing structure for planning and monitor (12/12) No discipline and perseverance (6/12) Same tasks are done in many places (4/12)
Lack of commitment	Resource allocation or lack of defined roles (10/12) (6/7)
Communication breakdown	Lack of open communication and repeating the message (11/12)
Corporate culture	Culture does not support cross competence collaboration (5/7)
Not tracking and measuring the results	No systematic follow up (5/7)
Role of middle managers unclear and their capabilities to both do operative management and strategy implementation	Misalignment with SBU leaders' targets (3/12) Not seen in employees day-to-day work (2/7)
Underestimating time needed	Lack of change management (4/12)
Training and instructions for lower level	No communication guidelines for senior managers (6/12)
No coordinated targets at various levels and functions. Operations not aligned with strategy	Strategic targets are not linked to strategy (12/12) Personal targets are not aligned to every level (12/12)
Other, not mentioned in literature	Slow implementation (7/12) (4/7)

4.2.2 Improvement Needs in Strategy Implementation

The most-mentioned problems in Table 13 were the missing structure, resource allocations and aligned targets. The first target group focused on finding the clarity and ownership for strategy implementation as well as changing the culture. They want to get people moving and working toward common goals in various ways.

Target group two focused more on structured ways of working in implementation and monitoring, meaning clear roles and responsibilities, organizational structure, planning and monitoring practices. Senior managers in target group two want more hierarchical decision-making and monitoring systems. Also, there needs to be a more systematic way for information to flow to functions. Examples from both target groups:

"*Change needs to happen in the line organization in the right way, we cannot push from the side. The message needs to come systematically from the top down*." (B9)

"*Structure follows strategy. We need to make clear the overall picture and organize roles and responsibilities based on that. Everyone knows that this is the way we operate*." (A6)

The corporation leadership team does not see the structure as being as important as the senior managers do, because from the top, everything seems clearer. Also, personal relationships matter more on the top level, and operative work relies more on certain structures and processes. There should be clear balance between day-to-day operative work and strategy implementation projects.

"*It should not be unclear who implements, how to follow and who is following. Implementation needs to be planned more and communicated then to the right people*." (B5)

The majority of both target groups mentioned roadmaps as tools to have more structure in strategy implementation. Roadmaps are made based on strategic priorities and projects. Then roadmaps are turned into targets and key milestones. Milestones then are put into a timeline. Based on the roadmaps, more detailed planning can happen at lower levels. With roadmaps, the leadership team can understand what needs to be done first and what can wait. Also, with roadmaps, targets and actions are easy to communicate to the right people at the right levels. Roadmaps help to define how to monitor progress of the strategic projects.

"*Strategic targets are turned into short-term goals and actions, then they are measured, and we can see the progress. We want to see the success. The whole company needs to be behind the roadmaps*." (A4)

"*We need to have the strategic planning in good shape and the right people from functions being represented in the process. Then we can make clear plans and scheduling that were made by multiple functions and relevant people. Then the resourcing and communication are done right in the beginning*." (B12)

As mentioned earlier, implementations should be made everyone's responsibility, however, with clear roles and definitions of who is doing what, based on a majority of both target groups. Strategy implementation needs be done in cross competence projects, not in silos like before. Cross competence collaboration needs to be supported by top management, and clear guidelines are needed for uniting day-to-day work with cross competence projects. Guidelines should include, for example, reporting, rewarding and time allocations. Therefore, resources need to be planned based on strategic priorities and targets. Some in target group two mentioned that some people with many responsibilities are overworked, and often the same people get the responsibilities of managing strategic projects. A minority of both target groups see that more junior people need to be engaged and trained to solve the resourcing issue.

"*Resources should be allocated based on competences and time. Someone can put 100% of their time to managing strategic projects, then others can have a lower percentage. Strategic projects cannot be managed by 10% work time allocation. We need more conversation, ideas and teamwork*." (B10)

Targets should be aligned through the organization, agreed a majority of both target groups. Targets help to define resource allocations and monitor the success of strategy implementation. With aligned targets, the case company can see are they taking the right actions related to strategy. Motivation and reward should be based on results, said a minority of target group two. A majority of both target groups see the alignment of targets as an important development area.

"*No one is looking at target setting in a wider perspective. Targets should be harmonized through the organization. Concrete presentations, for example, a pyramid diagram of how the targets and actions flow to lower levels*." (B9)

Communication guidelines need to be made that define what information is communicated to which audience was mentioned by a majority of both target groups. Good internal tools, such as project communication plans and stakeholder mapping, are already available, but they should be used properly in strategic projects. Overall there is a need to increase visibility and transparency about strategy implementation throughout the organization. With systematic guidelines, the culture can start to change a bit faster. The mindset needs to change from looking only to a group's own function benefits to looking into the corporation's benefits, based on a majority of target group one. The change to more cross competence work needs both mindset and organizational structure changes, according to target group two. The case company has already established a global network of different-level employees ("group connectors"). Their tasks are to interact in different sites about common values and culture. According to some target group two members, the "group connectors" are a positive new way of delivering the corporate message and engaging more people from different levels.

There are many things to improve in strategy implementation. Table 14 summarizes the improvement needs for corporate strategy implementation. Areas for improvement are based on literature findings.

***Table 14** Summary of internal strategy implementation improvements fit to literature findings*

Important factor based on literature	How to improve it?	Number of times mentioned
System	More structured and top-down way of implementing strategy. Follow-up should be consistent. Facilitate the interaction between SBUs and functions.	Target group 1: 2/7 Target group 2: 12/12
Roadmaps	Based on strategic needs, clear roadmaps are formed and based on those, more detailed plans are made.	Target group 1: 6/7 Target group 2: 8/12
People are engaged	Engage new people with projects. Not use the same people every time.	Target group 1: 4/7 Target group 2: 5/12
Culture	More networked culture to deliver results in cross competence teams. Change management is done in every implementation project.	Target group 1: 3/7 Target group 2: 5/12
Numeric and non-numeric measurements	In every implementation project, define measurements that measure the output and progress of the project.	Target group 1: 4/7 Target group 2: 8/12
Consistency in targets and plans top down	Targets and plans are aligned through the organization. Use existing HR software more efficiently and teach managers to define targets.	Target group 1: 5/7 Target group 2: 12/12
Reward based on reaching the targets	Better target setting and personal interests. Managers need to be aware of the projects and situation.	Target group 1: 1/7 Target group 2: 4/12
Communication	Message is repeated multiple times. Make sure people understand the change with feedback forms and Q&A sessions.	Target group 1: 7/7 Target group 2: 11/12

4.3 Strategic Project Management in Case Company

4.3.1 Strategic Project Management Current State

Corporate-level project management

There have been a couple of major corporation-wide strategic projects in the past few years that have mostly been related to IT development or harmonization of processes. Current topics of planned strategic projects are not only IT-related. Topics include, for example, corporation-wide sustainability, developing and testing new service models, and expanding into new markets. Given that these kinds of cross competence strategic projects are a new way of working for the case company, a systematic approach for managing cross functional projects is missing, according to a majority of target group two. Prioritizing these strategic projects is missing, per some target group one members. In addition, the projects have overlapping activities that are not yet facilitated by top management. There have also been difficulties in finding capable project managers and teams to execute the cross functional strategic projects, according to half of target group one. One interviewee mentioned:

"*Projects are very different to each other. It is sometimes difficult to integrate projects to SBUs' day-to-day operations. Sometimes the plans are not realistic on SBU level*." (B6)

Current strategic projects are in different stages, with some already up and running and some still in the planning phase. Due to strategic projects being in different phases, the steering, monitoring and project management practices vary. The project manager has a lot of power and responsibilities to define how the project is run and monitored, according to part of target group two. All practices are formed to every single project. For example, there is no way to escalate problems in the steering group:

"*If steering group does not work properly, there should be a way to escalate the problem and to have the courage to change practices. We need a channel to solve steering group problems*." (B9)

Projects do not have one way of reporting the status and success of the project to the leadership teams. Corporate management does not systematically return to the project metrics, according to a majority of target group one. The corporate leadership team tackles problem when they arise but do not do any preventive monitoring of the strategic projects. In addition, learnings from strategic projects are not collected nor used and therefore the same mistakes are repeated. All in all, there is not yet a common way of executing big strategic projects or programs, based on target group one's responses. Some structure is in place, but it is not validated yet. In addition, common templates are missing and that causes reposting the same information to different places with different templates, according to some target group two members.

SBU/Function level project management

Project management practices are more established at SBU and function levels. The practices, however, vary between functions. There has been an increasing effort to harmonize project management practices recently. Function PMO leaders have formed a network of project management professionals. The network was started to harmonize project templates, status reporting, steering group meeting notes and action logs. They also wanted to share best practices and communicate what kinds of projects are ongoing in different parts of the organization, according to some of target group two.

Project management trainings were organized for everyone who wanted to join and learn more. Trainings received good feedback and employees were happy with the more harmonized templates, according to some of target group two. All in all, there is good project management knowledge at the function level and people are very motivated to learn and do more projects. Still, there are not enough capable project managers for running bigger, more cross functional projects, based on half of target group two.

The main problem at the function level is that ongoing projects on the lower level are not aligned with group strategy. Also, there are too many ongoing projects that do not have clear scope or ends and tie up resources inefficiently, based on a majority of target group two. There is also competition for resources—for example, IT development—that slows projects and programs. In addition, too many projects ongoing and unrealistic plans make the projects slow and stiff.

Also, based on a majority of target group two, monitoring practices vary at the function level, where some functions do monthly monitoring, and some do no monitoring. There is no systematic way to follow strategic programs and project status, success, and impacts, according to target group one. All in all, concrete and transparent tools and templates are lacking, and projects are managed with spreadsheets and emails. Lower levels have limited visibility into the program or project status on other parts of the organization. It is difficult to see the overall picture of projects ongoing, according to most of target group two.

4.3.2 Strategic Project Portfolio Management Current State

There is no official strategic project portfolio management currently. The corporate leadership team does a bit of strategic project portfolio management work. There have been fewer strategic projects before than planned in the new strategy cycle. Now when there are more corporation-wide projects ongoing, there is greater need to centrally manage overlaps, resources and capabilities, based on a majority of both target groups. New strategic projects are guiding the corporation into the right direction when these projects are done, based on a majority of target group one.

Previously, projects were done by SBUs and functions and they resourced projects themselves. Now the focus is more on the corporate level, therefore the resource allocation questions need to be addressed in a more central way. Some members from both target groups had seen conflicting directions in previous projects in SBUs and functions. There is a need to have an overall picture of both the ongoing strategic projects in the organization and also smaller streams of bigger programs. Target group two mentioned:

"*Better focus through discussion, everything fits to the overall picture*." (B7)

Senior managers do not have any overall view of what other functions are doing, therefore they have overlapping activities, according to a minority of target group two. No one is managing resources or overlaps at corporate level, and therefore projects are competing for resources. There are no corporation-wide portfolio management tools; that is seen as a problem by some of target group two.

A majority of target group two do not know whose responsibility it is to develop common ways of working in project management and what the required templates are. Function PMO managers hope that corporate management will issue guidelines, but corporate management does not have the resources nor the intent to do that. All in all, there are mixed expectations about what the corporate and function roles are in strategic project management.

There is no corporate-level strategic portfolio management or PMO established yet. Some people from target group two argue that group-wide PMO would be beneficial and some that is not necessary. Different functions, such as SC, have their own portfolio management, and that confuses people in target group two. Therefore, there is a need to clarify this structure. A summary of strategic project management and portfolio management follows in Table 15.

Table 15 *Summary of strategic project and portfolio management problems in the case company by literature classification*

Areas based on literature	Problems mentioned by target group two
Link to corporate strategy	Project objectives are in conflict (6/12) No clear link between corporate and SBU strategies (7/12) Lack of management support (4/12)
Portfolio management	No overall picture (7/12) No one managing project overlaps and dependencies (3/12) No visibility into what other functions/SBUs are doing (4/12) Lack of prioritization (11/12)
Project initiation and concepting	Undefined scope and objectives (4/12) Unclear roles and responsibilities (5/12)
Project strategy and planning	No capabilities and resources (7/12) No clear guidelines for project management (4/12)
Project implementation and monitoring	Execution is slow (8/12) Competition for resources (4/12) Project managers not capable (2/12) No common templates (9/12)
Project ending and learning	Projects do not have clear ending (3/12) Learnings are not collected nor used (3/12) Same mistakes are made again and again (4/12)

4.3.3 Improvement Needs in Strategic Project and Portfolio Management

Based on some responses in target group two, strategic projects need constant support from the corporation leadership team. There is also a need in the lower level to have an overall view of how strategic projects are going and how to solve problems, for example, in resource allocation. There is a need to define what is done at corporate level and what is done at SBU and function levels without forcing too much, based on comments of some target group one members. Currently no one has responsibility for doing portfolio management at an upper level, according to a majority in both target groups.

Strategic projects need to be lifted to a higher level to receive enough attention, based on a majority of target group two. Also, independence of projects needs to be analyzed and best practices identified to support project success. All in all, strategic projects need formalized structure, steering and management, according to half of target group two. And most importantly, projects need to have clear resources allocated.

"*Projects are being bypassed for the real day-to-day work*." (A7)

"*It is important to manage strategic projects as one, otherwise they will compete for same resources*." (A2)

The case company should start developing strategic project practices piece by piece and then analyze and develop the practices further when projects are ongoing, offers a minority of target group two. The structure does not need to be perfectly planned in the beginning; by doing the projects, the case company will learn what the best practices are. Also, all projects cannot be done at the same time, therefore inside the portfolio, projects must be prioritized, based on a majority of both target groups. Target group one sees the prioritization and defining the execution order as key improvement areas. A member of target group two mentioned a priority list as one good tool for prioritizing projects and actions. Another mentions:

"*Better planned and divided actions to manage projects. Project should be given clear focus and time and not try to do everything at once. We need to fix the center first and do enabling projects as well*." (B9)

Some of target group two mentioned that the case company should not try to do too many strategic projects at the same time. Target group two sees recognizing and discussing project dependencies as key project portfolio tasks. People doing strategic projects need to be familiar with other projects and able to discuss with each other, based on some of target group two. One member of target group two concluded:

"*There is a need for more centralized and stronger leadership for strategic projects and people who run the projects form a community. Discussions are organized for example monthly and there the project dependencies, resources and problems are discussed and solved. Also, best practices are shared, and globally common tools are developed*." (B9)

The corporate leadership team wants to follow the status of strategic projects only on the top level, according some members of target group one. If the corporate leadership team wants to follow strategic projects on a high level, there needs to be some group of people doing the background work for corporate leadership. The group of people needs to be oriented to ongoing projects in order to understand the links and dependencies needing to be discussed. Also, there is a need to make faster decisions related to strategic projects, based on some feedback of target group two. To make faster decisions, someone needs to understand cause-effect relationships and to prepare material and data for decision makers.

"*Decision makers need to be up to date with the cause-effect relationships. Now decision makers do not familiarize themselves with the project, they just approve things without understanding*." (B12)

Setting a clear target, having a concrete start and ending for the project, and regular follow-up will help to manage a single project as well as the project portfolio, as mentioned earlier. Projects need to be measured by their impact on the business, according to a majority of target group one. Target group two sees monitoring the strategic projects as a major contributor to project success. One mentioned:

"*We know what decisions we need to make and where the projects are going, and then get back to them after a certain time period to understand, are we going in the right direction*." (B11)

A majority of both target groups mentioned having a capable project manager as a key factor in successful project management. Target group one members stressed that there should always be a business owner as well for the projects. Together they have a mandate to make decisions. A motivated project team is also crucial, based on target group two. If a program consists of smaller projects, there should be a project manager for all the projects to ensure to progress. More junior employees should participate in project teams and manage smaller streams to develop project skills within the organization, based on remarks of some target group two members.

The project methods and templates need to be harmonized, based on a majority of target group two. Target group two wants to develop one project type for the corporation, in which the work is ongoing in the function level, but the decision about project models and templates needs corporate management approval. With common ways of working, people will be on the same page and know what they are doing. There is a need to increase project execution speed, and maybe common ways of working will contribute to it, according to some in target group two. An agile project style was seen as better by both target groups.

"*We need to have intensive projects and come up with the conclusions faster. We need to create quick wins*." (B11)

Some people in target group two see that more tools for portfolio management are needed—for example, portfolio management software. As suggested by target group two members, tools would include, for example, monitoring projects and portfolio, approval process and project communication. At the end, the case company needs to define the name of the strategic project management system.

4.4 Strategy Implementation Through Project Management in Benchmark Companies

4.4.1 Corporate Management and Strategy in Benchmark Companies

Benchmark companies were from different industries with different governance models. All of them had split their corporations into business lines or units that had executable responsibilities. All benchmark corporations identified very clear roles for the business lines or units. Some SBUs were responsible for delivering growth or expanding into new markets, and some were more responsible for profitability. These corporations decentralize responsibilities for profit and loss, decision-making and meeting the local requirements to a couple of business lines or units. There are still differences between the role of corporate management and where decisions were made. All the benchmark companies said that they have quite light corporate offices, but there are some fundamental differences. Company C2 was a pure holding company that guides brands with growth and profitability targets. On the other side of the scale were C1 and C3, which had only one brand and managed businesses as one. Every company struggles with finding a balance between central level decision-making, for example, scalability of operations, and local knowledge. All companies were budget driven.

"*Corporate administration cannot effectively plan everything, so there is a need to work in many levels*." (C3)

Differences between benchmark companies were in organizational structure. Some corporations were more matrix organizations and some more line organizations. Organizational structure also defined the role for common functions, for example, supply chain, IT, HR, sales, and research & development (R&D). In addition, there were differences in facilitating cross functional collaboration within the corporation; for example, C1 and C3 had very tight cross functional collaboration starting from strategic planning to monitoring and development. C2 instead was hardly facilitating cross collaboration. Governance models of benchmark firms are summarized in Table 16.

Table 16 *Benchmark companies governance models and strategic fundaments*

Benchmark company	Governance model	Strategic fundaments
C1.	Two big business lines, 5 areas, around 100 countries. Business lines are quite independent and in matrix with areas. Most important interface is between BL and area management. Global offering and one brand but meeting the local requirements. Centrally doing R&D.	One strategy for whole corporation for 3 years. Strategic decisions are done centrally. Business line driven, they have the execution responsibility. Longer-term view is turned into yearly plans and budgets. Strategy is continuing process, discussions, try to be close to local level.
C2.	Light corporation management with couple of business lines. Under business lines there are brands that are independent. Business lines report to central management, not much other interaction. Centralized supply chain, sales and product development. Some interaction with different brands related to areas like digitalization. Group managers drive businesses with numbers (growth and profitability)	Build globally innovative sports brands. Corporation responsible for brand portfolio strategy and investment based on that. Corporate has growth and profitability brands. Competitive strategic decisions are made at brand level. Business strategies go to very concrete level (category strategy and competitive strategy).
C3.	Three major business lines that are responsible of profit and loss, market seizing, developing business and strategic decisions. Corporate management facilitates strategic discussion between the functions and gives strategic direction.	Sustainability is the guiding principle. Cross functional teams formed around the strategic question and they are developing answers to the strategic questions.
C4.	Network of 20 independent entities that are geographically distributed. Entities are responsible for profit and losses and planning the offering. Common sourcing, logistics and store facility services. Central strategy team is responsible for strategic direction, follows up the strategic program status and gives support to entities.	Delivering value to owner-customers Hierarchical strategy guidelines to lower levels. Guides all entities with strategic programs and projects.

Analysis of Table 16 suggests the more brands, business lines, or units the corporation has, the more it needs to give power to the lower layers. If business lines or brands are different from each other, the corporation needs to give them freedom to make their own competitive/business strategy. Corporate should focus on enabling activities such as supply chain, finance, HR, IT development and data analytics that can be cross functionally utilized based on

In benchmark company strategic fundaments are presented. Every company had a clear strategy process that was facilitated by its corporate strategy team. The strategy team has dialogue and facilitates strategic discussion with business units and functions. In the strategy process, long-term views were turned into yearly plans and roadmaps including concrete targets. Concrete targets were seen as an important factor in succeeding in strategic management by all of the benchmark companies.

"*You get what you measure*." (C4)

Follow-up and reporting cycle varied, but all the companies report strategic direction to their board of directors yearly. Some had a more detailed strategy process than others, but all companies had similar elements, such as market environment analysis. Some of the companies had noticed that they cannot plan everything at a detailed level, therefore there is a need to be flexible and have rolling plans. Ways of finding strategic priorities and answering important questions varied between corporations. Some had a yearly cycle and some a more continuous process for forming strategy. Different people were engaged in different parts of the strategy process. Companies organized the strategic discussions based on their organizational structure, therefore people formulating the strategy were a bit different in every company. Some had a more inclusive strategy process than others, but then strategy was communicated in more detail to the whole organization. Based on the company complexity and hierarchy, the strategic message moved differently within the organization.

4.4.2 Strategy Implementation in Benchmark Companies

There were four quite different strategy implementation processes. The implementation process at a high level was similar: strategic priorities were turned into projects and action lists; projects and action lists then communicated to employees in different ways; then ownership and clear targets were formed; and at the end, the budget was updated. Company one concluded:

"*We form clear strategic targets that have projects under them*." (C1)

All the companies said that they implement strategy through projects and programs. All companies had around 5–10 strategy implementation projects ongoing at the same time. Companies commented:

"*We pick strategically important projects that we facilitate and follow. If these projects move forward, the whole organization is moving forward to the right direction*." (C4)

Companies had clear structure for strategy implementation. Structure defined roles and responsibilities of the projects and tasks. It is important to have ownership in strategy implementation that can lead the changes and make decisions.

All benchmark companies stressed the importance of communication. Companies should try to find many ways to deliver the message. Example communication methods based on benchmark: intranet posts, videos, newsletters, calls, events and workshops. Have dialogue with different parts of the organization. Some companies collected feedback from the strategy and tried to answer employees' questions. That was seen as highly valuable for delivering the strategic message to lower levels of the organization.

Every company saw clear roadmaps as a way to manage implementation work and slot workload into the right kind of sprints. For the projects and roadmaps, goals and targets need to be as detailed as possible. Targets need to reflect on the progress and the output of the project, based on all the benchmark companies. With roadmap and quarterly targets, progress can be easily followed and the leadership team can intervene if progress is not at the desired level.

There were differences in benchmark companies´ implementation structure and planning. Companies C2 and C4 were more linear in their planning and implementation and companies C1 and C3 had more flexible, rolling planning (meaning that in the beginning, the vision is defined but the details are worked out on the way). Company 3 said:

"*We cannot to plan in too detailed level into the future. The plan needs to be a bit rolling to react to the changes in the business environment*." (C3)

Also, the personnel in the process varied because the planning was different in the companies. Some implementation processes were more engaging, starting from the strategy process itself. For example, Company 3:

"*Ensuring implementation is part of the strategy formulation work and it is done for every strategy project*." (C3)

For others, the strategy implementation planning was done more in corporate leadership teams or dedicated teams. The responsibilities for strategy implementation varied based on the size and structure of the organization. In smaller organizations, the responsibility was higher than in bigger organizations. Company 1 even had its own organization responsible for both strategy implementation and delivering the changes to every level of the organization.

Every company has its own strategy process, its implementation structure and project management practices. Benchmark companies agreed that corporate strategy is implemented with projects and communication, but the implementation process and follow-up differs between organizations. It is important to understand why companies do strategy in a certain way and how their implementation process reflects what the company is about. The reasoning behind benchmark companies' strategy implementation follow-up system is analyzed in Table 17.

Table 17 *How the company is reflected in its strategy implementation follow up system*

Company	Strategy implementation follow up system	Why? How does it reflect the company?
1.Global technology corporation	Corporate-wide strategy implementation organization that includes all the development people. They are responsible for implementing changes to their organization, area, country or team. Strategic projects are systematically followed up in corporate leadership team and lover-level management. Projects are measured based on their benefit realization and projects have clear gate models and steering in place.	Globally complex company that requires clear structure to deliver the message and engage people in area-business line matrix. There is need to have big strategy implementation organization to address local-level needs. Also, strategic projects are so big that there is need to have very competent and senior leader in charge of the project.
2.Global corporation with various sports related brands	Brands are responsible for their strategy process and strategic implementation programs and projects. Brands Management team follows up the project milestones and metrics monthly. Strong management support. Metrics are developed on every project that best showcases the development. Projects are owned by management team members and projects are run mostly in the normal line organization. Clear ownership in leadership team of strategy implementation projects.	More a holding company and gives brands very independent role. There is not strict strategic guidance from the group, only financial guiding. Therefore, one business unit can go to a very concrete level on strategy and analyze the customer very closely. Organization is smaller so the implementation and follow-up is simpler and lighter. There is no need for different team or organization to handle strategy implementation.
3.Global oil refining and -marketing company	Business owners are engaged early in the strategy process. Strategy implementation projects have "linear and rolling" roadmaps and targets. Implementation projects have clear vision, that is turned into roadmaps and milestones. 5–10 implementation projects	Fast-changing environment pushes to make strategic decisions constantly. Planning is done only 18 months ahead due to difficult forecasting. Engaging people to the strategy process and implementation early has

Company	Strategy implementation follow up system	Why? How does it reflect the company?
	form a portfolio that is managed by business line development managers and other relevant people form technology and HR. Common templates and reporting practices for projects.	been seen as advantage for the company.
4.Cooperative enterprise with various business lines	Strategic projects are reported to the board three times a year and that gives the portfolio view to strategic projects. Strategic projects are picked based on strategic priorities and direction and categorized into around 10 projects and programs. There are clear template and strict measurements, quarter-based planning and follow-up. Clear ownership in the operational level that is responsible for resourcing and planning.	The strategy implementation is very hierarchical like the organization. Complex organization needs structured way to deliver results. Responsibilities are given to lower level of organization. Clear structure brings right people to discuss with each other and align their operations.

Strategy implementation process cannot be copied from other companies, as seen in Table 17. The implementation process reflects the corporation and its business. Complexity of the corporation is managed in different ways.

Strategy implementation process design principles seen in the benchmark firms were:

- The implementation process needs to fit with the company size and global structure
- Engage people in the implementation process at every level
- Balance between local-level knowledge and scale advantage
- How turbulent is the industry – how often need to review and change the strategy
- Measure the outputs and impact of implementation project ("you get what you measure")
- Projects have clear start and end, so progress is more visible.

The people part of the strategy process and strategy implementation is determined based on the organization structure and management model. Based on the different industries and strategic needs, there were different people discussing strategy implementation and project management. The strategic content defined the structure of the strategy implementation through projects.

4.4.3 Strategic Project Management in Benchmark Companies

The concept of strategic project or strategy implementation project is in use in all companies. There are many development projects in all the benchmark companies, but strategic projects are bigger or have strategically important objectives, therefore they are on the corporation's leadership teams' agendas. Project management had many similarities in benchmark companies; for example, project managers are on the senior level so that they can deliver the changes in the organization, and the ownership is in the leadership team. The project should have clear targets and success gates defined so it has a clear start and ending. Often it is not possible to plan everything one year in advance; therefore there needs to be some flexibility in the project management. Company reasoning:

"*Project goals need to be clear. Due to fast changing environment, planning 18 months ahead is only guessing. The plans will get detailed on the way*." (C3)

"*Quarterly targets are not suitable for all activities. Sometimes targets need to be for shorter time periods*." (C4)

Companies prefer having smaller projects with a clear start and finish. With smaller projects, a company can get quick wins and people can see the progress. When the progress and results are visible, people get more motivated. Monitoring and measuring project success was seen as very important in all the companies. Strategy is measured by key performance metrics: for example, does it increase revenue or save costs? Measurement should be numeric and non-numeric, and follow-up should be done in a systematic way once a month or quarter. As one company said:

"*Numeric measurement to present the overall impression*." (C4)

In corporation-wide project management, common templates, project structures, and steering group practices have been seen as helpful by most of the benchmark companies. Companies used both traditional waterfall project style as well as agile project methods depending on the project topic and targets.

There were differences is project management as well, for example, forming the project teams. Some projects go in line organization and some are organized cross functionally based on the topic. Some programs, for example, in benchmark Company 1, even had permanent project organization for a few years to manage its one big strategic program. There were also differences in how much of their time project managers dedicate to the strategic project. In bigger organizations, the project manager needs to dedicate 100% of worktime to the project. In smaller organization, the leadership team was closed and could provide more support. For example:

"*Strong management support given by management team ownership and follow-up. If something is not working, management team tries to figure out what to do differently or what resources are missing. Management team makes corrective decisions*." (C2)

Some leadership teams just do the follow-up of the project. Some companies put more effort into revisiting finished projects and analyzing the results. For some companies, this kind of benefit management was important. Although not all companies are analyzing the impact of the project afterwards, it is seen as valuable work.

4.4.4 Project Portfolio Management in Benchmark Companies

Not all companies had a function called project portfolio management, but all the companies had an overall picture of their ongoing strategic projects. Portfolio management includes tracking the performance of strategic projects, forming project teams, and managing overlaps and resources. Portfolio work begins from corporate strategy, as presented by Company 2:

"*Strategy should provide concrete direction in order to evaluate need of human resources*." (C2)

High-level project portfolio management review is done in corporate leadership teams with the help of a portfolio management team or strategy team. In the project portfolio, the most important thing is to prioritize projects based on their benefit versus inputs. Company 1 concluded:

"*There are so many projects and actions, so it is important to be able to say that these are our three priorities. It creates the illusion of clarity when things are grouped*." (C1)

The difference in project portfolio management mostly relates to steering, choosing and reviewing the projects. Some strategic projects are formed based on strategic priorities; some come more from the bottom up. Projects are monitored, and the portfolio is reviewed at different times. Some companies do portfolio review three times a year and some monthly. Also, different tools are used in portfolio management; some used only Excel, and some had portfolio management software. The structure of portfolio management and its roles and responsibilities are influenced by the size and complexity of the organization. Company 1 concluded:

"*Steering and processes create focus and group the actions, but that is not the whole truth. Personal relationships matter in managing strategic projects in complex organizations*." (C1)

4.5 Implications for the Case Company

Based on benchmark findings, the SBUs should have clear roles in the corporation. As said earlier, the more brands or business units the corporation has, the more it needs to give power to the lower layers. The case company's brands are still quite different from each other although they make premium consumer goods; therefore the corporation needs to give them freedom to make their own competitive/business strategy but facilitate common links. The corporation should have a common mission and strategy, but it doesn't need to sort out every detail. Corporate-level strategy should give a framework for SBU levels to develop their strategy and business plans based on benchmark results. SBU leaders in target group two also wanted more clarified roles for SBUs and clear guidelines for cross functional development. Common links are currently poorly managed, based on a majority of target group two.

Based on benchmark findings, the strategy process should engage more senior managers who are responsible for implementing the strategies later. Ownership and engagement are important elements of strategy implementation through project management based on benchmark. The majority of target group two see the lack of transparent communication and planning as common problems of the organization. Strategy is kept quite secret and people do not understand it, therefore it is difficult to implement strategy with project management. Strategic discussion is done mostly on senior manager level, and discussion does not flow to the project and operative level where the actual change needs to happen. These kinds of problems have been tackled by benchmark companies, for example, by engaging more people in the strategy process (C3), organizing monthly calls for all employees (C1), and organizing companywide strategy sessions (C2). Employees should be able to give feedback and ask clarifying questions about the new strategy to understand it better, based on benchmark results.

The case company's corporate strategy has not been guiding to concrete actions, therefore it has not got people moving towards common goals. People still work in the old more siloed way, and the mindset change has been slow. There have not been clear targets, roadmaps or metrics related to strategy implementation and cross functional collaboration. Also, a monitoring structure is totally missing, and people are not doing what they are supposed to do because the strategy projects are not in their personal targets nor performance goals. Cross functional projects are a new way of working in strategic management, and it is not facilitated well enough now. Based on the internal interviews, the key problems in the case firm's strategy implementation through project management are:

1. Lack of structure in strategy implementation projects and monitoring that ensures cross functional collaboration, resource allocation and managing overlaps and capabilities.
2. Not having concrete processes, roadmaps and actions for implementing strategic projects and matching resources based on the goals.
3. Personal targets and plans are not aligned with corporate strategy and strategic project goals. No clearly defined roles in group strategy implementation and project management.
4. Lack of transparent communication to every level about strategy and its priorities and actions.

Communication must be done in every turn and tell the reasons behind the decisions. Communication is one of the issues in the company, but in this thesis the focus is more on the management system side. The lack of planning and structure in strategy implementation was seen as a bigger flaw in the case company. Therefore, the focus is turned more to implementation and follow-up structure. First steps toward improving the strategy implementation should be clarifying the structure, defining roles and responsibilities, and setting targets to get the corporation moving. Therefore, we prioritize implementation and follow-up structure in the discussion chapter.

There are enough resources in the company, but they need to be reorganized to fit the new ways of working. More structure—but not bureaucracy—will help get the right people to discuss with each other and reduce the overlapping work done in silos. With a more systematic approach to strategy implementation, the goals and roadmaps will be easier to define. The majority of the benchmark companies agree that structured strategy implementation organization or a team helps to systemize the work and enables efficient communication and follow-up. Also, a structured implementation process and structure help to tell the message to every level, bringing the right people to have cross organization discussion and align their opinions and actions. In literature the structure is seen more as a hierarchical system to deliver both message and results.

Given that strategic projects represent new ways of working, the case company can reuse ideas from the benchmark companies. Based on benchmark findings, strategy implementation projects should have cross functional representatives on the project team and in the steering. Also, strong management support is needed for strategic projects, meaning that top managers also discuss the issues in strategic projects and make decisions as to how to go forward on the top level. The project vision should be clear and then be turned into roadmaps and monitored monthly by metrics that measure the impact of progress. Dedicated project managers with competence to change are also seen as important assets. All in all, structured follow-up with good measurements and a capable project team make the project execution more efficient. Portfolio management gives the overall view for strategic projects and there are multiple ways of doing portfolio management. It also ensures that different projects go in the same direction. Portfolio managers interact with project managers to guide and support the project progress. Top learnings for the case company based on the benchmark interviews:

I. A structured strategy implementation process helps to deliver the message to every level of the organization. Complexity of the organization needs to be addressed and get the right people discussing with each other based on the strategic content.

II. Cross competence projects need to be independent and have a capable project manager. The project owner should have a mandate to make decisions.

III. Monitor and measure the progress and impact of the project with numeric and non-numeric metrics; intervene if progress is not at wanted level.

Most of the implications from the benchmark firms are in line with the literature review. These findings support the view that the strategy is implemented with projects. All the benchmark firms stated that the strategy process and implementing strategy is not always linear and easy to plan. There should be flexibility in the strategy process and planning the implementation. There needs to be rolling planning for the execution, therefore that is difficult to plan 18 months ahead. Benchmark companies focus more on cross functional interaction.

5. DISCUSSION

5.1 Characteristics of Corporate Strategy Implementation through Project Management

Based on the internal interviews the key problems of the case company´s strategy implementation through project management were lack of structure and monitoring, lack of concrete roadmaps, resource allocations, misalignment of personnel, project and strategic targets and not enough transparent communication. All these problems are seen in literature, but with different emphasis. Both target groups mentioned soft and hard elements of Saunders et al. (2008) implementing strategic initiatives -framework, however creating the infrastructure was the most mentioned aspect by both target groups. Therefore, this study first focuses on creating the infrastructure for strategy implementation through project management, but also because literature does not take a stance on consumer goods industry-specific infrastructure. Prioritized already in the Results -chapter, the first steps toward improving the strategy implementation in the case company should be clarifying the structure, defining roles & responsibilities and setting targets to get the corporation working towards common strategic objectives. For further development ideas literature characteristic and case company characteristics in strategy implementation through project management are compared in Table 18.

***Table 18** Different characteristics in corporate strategy implementation through project management in literature and case company*

Important areas based on literature	Characteristics in literature	Characteristics in case company
Clear strategy	Strategy is clear, and it sets priorities	Seen as major factor. Gives guidance to actions and decisions.
Engaging strategy process and concrete actions	Engage people – everyone is involved	People want to take part in decisions that affect them.
Clear structure aligned with strategy and operations	Common goals, monitoring, transparency Select right project type and management style	Structure needed for cross functional collaboration and corporate wide strategic projects. Common templates help to align management styles
Management and control systems and tools	System for linking strategy to operations. Performance measuring and monitoring. Systematic follow up	Strategy process is managed with strategy clock. Management and control system for strategy implementation is needed to bring structure.

Important areas based on literature	Characteristics in literature	Characteristics in case company
Defined roles and responsibilities	Project plan – ownership Resource management is a critical factor in moving from corporate strategy into project execution	Seen as crucial for organizing strategy implementation. Project should have ownership. Resource allocation should be done based on strategy
Communication and leadership	Turn managers into leaders, responsible of business results, create project spirit that motivates, share knowledge between strategy and project management teams. Communicate in every term why and how implementation is going.	Constant and open communication. There is a need to communicate “what is in it for me”. Leaders need to do change management and have discussions about strategy.
Alignment in strategy	Corporate strategy needs to be aligned on every level of organization. It is done with concrete targets and prioritization. Transparency integrated hierarchical plan Creates competitive advantage.	Corporate strategy needs to guide also SBUs and align strategies and plans. Operations and targets need to be aligned as well.
Portfolio management	Overall picture of the strategic projects ongoing and in the future. Clear project selection, group project based on impact. Lessons learned	Done only at function level to support project manager, follow progress and report status, prioritize projects

From Table 18 consumer goods industry is seen in the structure and alignment parts, where cross functional collaboration is needed. The case company has been very siloed before and therefore there is an increasing importance for cross functional collaboration. To conclude the Table 18, every element appears in consumer goods industry context as well, but structure and alignment should receive some special attention.

The case company has not implemented strategy with strategic projects due to projects have not been aligned with strategy. Based on Shenhar (2004) project strategy is the link between corporation strategy and project plan. In addition, according to Morris and Jamieson (2005) moving from corporate strategy into a project needs to be systematic with processes, practices and people and strategies should be aligned to every level. The case company has now noticed the importance of alignment of strategy and operations. Some of the benchmark companies have put effort to better aligning their projects and other operations, and it has been seen as a major influencer for getting people working towards common goals.

Based on the literature, management involvement needs to be on a higher level both in single strategic project management and project portfolio management. At the moment there is little management commitment and involvement in strategy implementation through project management, therefore it is difficult to manage corporate wide strategic projects. In addition, cross functional projects and ways of working are quite new to the case company and it has not been facilitated well enough. Project portfolio management has also been missing, which is why there is no overall picture. Benchmark companies have instead noticed the importance of portfolio management and management's involvement.

From Table 18 differences in management and control systems can be seen, because the case company has not been systematically monitoring strategy implementation. Monitoring the strategy implementation and strategic project are important link in aligning operations to strategy (Micheli et al. 2011). Also, based on Lynch and Cross (1995) there is a need for performance management system in order to effectively mediate between corporation's strategy and everyday activities. Therefore, the case company should not only focus on the yearly strategy clock but also to measure meeting the strategic objectives of strategic projects.

Based on Table 18 and findings from empirical research, the development areas for the case company can be divided into three categories. First development area is the alignment of corporate strategy and actions in SBUs. The second development area is the new cross functional ways of working including management involvement and project portfolio management. The third area is monitoring and measuring the progress of strategy implementation. These areas will be further discussed in following sub-chapters.

5.2 How can Corporate Management Best Lead and Monitor Implementation of Corporate Strategy?

The case corporation has become more integrated, and new strategic projects are formed which need cross competence collaboration. Based on the results of the study in strategy implementations most important thing is to get people involved in the process. Based on the case company interviews, without people involved you cannot do strategy implementation, employees need to have personal interests for implementing strategy. Studies of Neilson et al. (2008), Kim and Mauborgne (2005) and Parnell (2003) support the view. Also, Smith (2009) notices the importance of middle managers' involvement in strategic planning in consumer goods industry. In addition, based on the interview results resource allocation and managing overlaps and capabilities were major enablers to strategy implementation through project management.

The second thing is strategic content, meaning strategic priorities and actions. Strategy needs to be clear and understood in every level of organization (Claude, Hanley 2007). Based on the people involved and the strategic content the implementation structure can be created. There is need to have people involved and strategic content figured out before you can design the structure. This fits with Chandler´s (1962) classic "*structure follows strategy*" statement. Communication is part of all the elements and acts as a glue for the strategy implementation (Neilson et al. 2008; Kotter 2013). Figure 19 presents the strategy implementation elements framework created based on the results of the study.

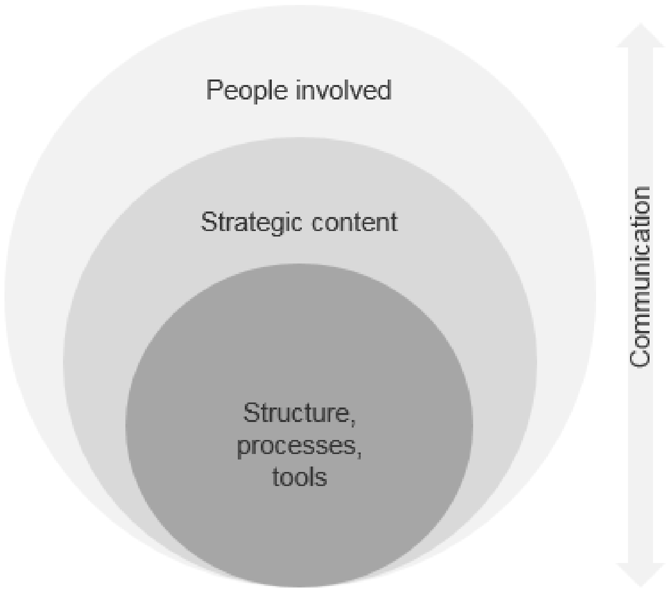

Figure 19 *Strategy implementation elements based on interview results*

From Figure 19 we can see that strategy implementation requires more than Figure 3 areas affecting strategy in action anticipated. No strategy into actions is happening if people are not involved or strategic content is formed based on empirical findings from the case company. Strategy implementation elements helps to understand the interdependencies in leading the corporate strategy implementation. Corporate management needs to ensure these elements are included in corporate strategy implementation through project management. Next chapters will go into more detail about these elements and explain more how case company's corporation management best leads and monitors implementation of corporate strategy.

5.2.1 More Engaging Strategy Process

More engaging strategy process relates to Figure 19 people involved element and first development area mentioned in chapter 5.1 Strategy is often seen as a linear process by both internal target groups. Based on the current literature and benchmark results strategic management is more like a loop where multiple decisions happen during the year, and actions are made based on learnings. Therefore, the strategy process should be seen more like a loop in the case company and engage more people in planning.

To efficiently implement strategy on all levels, the corporate strategy needs to be clear, like earlier stated in the results and literature. Based on Morris and Jamieson (2005), a formal strategy process brings clarity and discipline into the corporation. The old strategy process was not engaging SBU leaders or other important managers and therefore a new strategy process is recommended. When the strategy process is transparent to everyone, it is easier to lead the corporate strategy, the simpler the better (Claude, Hanley 2007). Also, based on Parnell (2003) strategy formulation should not be only top-down due to corporate managers are not familiar with day-to-day activities. New strategy process was developed in the workshop and is presented in Figure 20.

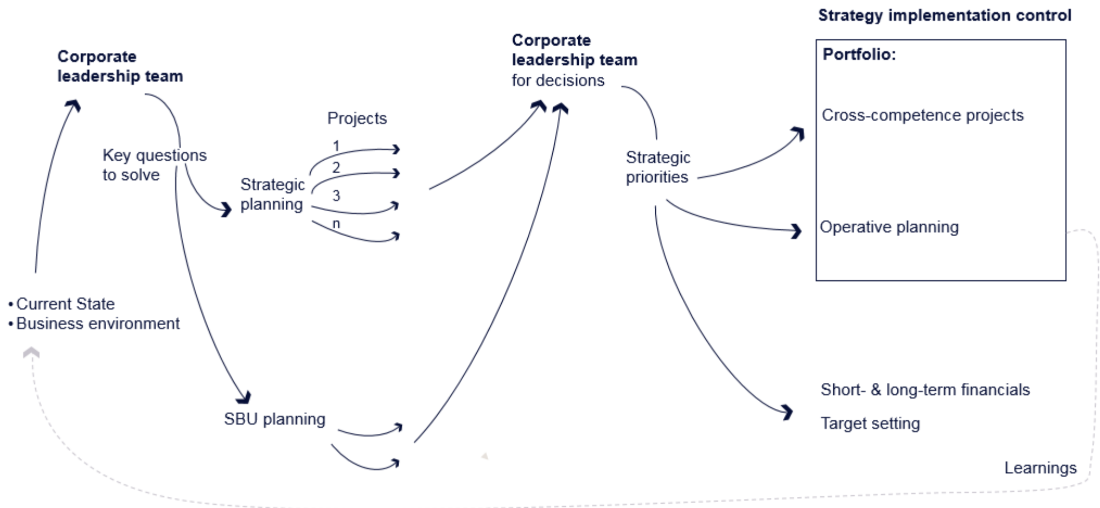

***Figure 20** New recommended strategy process for the case company*

With the new strategy process roles of corporate management and SBUs are more defined and more people are engaged in planning. While strategic projects and SBU plans are planned in parallel the case company can engage more people in the process and align targets, plans and actions. Recommended strategy process aligns with Smiths (2009) view about consumer goods company's strategy process. Based on Claude and Hanley (2007) and research findings, employees' input is crucial in understanding how existing capabilities can be better exploited to deliver strategic objectives. Senior managers that are later on responsible for the strategy implementation and running the strategic projects should be involved in the strategy process when decisions related to them are discussed (Parnell 2003; Kim, Mauborgne 2005; Smith 2009).

Already in strategy formulation phase the strategic targets for implementation need to be considered based on benchmark, Jarzabkowski and Spee (2009) and Kaplan and Norton (2008). When strategy implementation is planned already in strategy formulation phase the case company can minimize the chance of failure of strategy implementation. In addition, the case company can analyse the skills required for the strategy implementation among senior managers, like Claude and Hanley (2007) mentioned. Also, while keeping strategic projects and SBU planning separate strategic projects receive more attention by corporate leadership team and senior managers. In addition, more people are engaged to the projects and the case company is not using the same people every time. Effective reallocation of resources inside corporation is one of the biggest drivers for revenue growth (Sull et al. 2018).

In chapter four the other problems in corporate management and strategy formulation were analyzed. Solutions are found from literature or internal recommendations. Table 19 shows problems in corporate management and strategy in literature classification and their possible solutions.

Table 19 *Corporate management and strategic planning problems and their possible solutions based on interviews and literature*

Problems based on internal interviews in literature classification	Possible solutions
Mechanisms, processes: • No-one is managing the strategy into action process, • Collaboration is difficult with different functions due to culture	More structured way of implementing strategy. When strategy formulation takes into account the requirements of strategy implementation, then strategy is automatically turned into more actionable targets and plans. Follow up should be consistent. With more engaging strategy process SBUs, functional and projects need to interact and collaborate and that can boost the open culture and help cross functional collaboration. Facilitating the interaction between SBUs and functions is a key mechanism.
Not defined distribution rights & responsibilities: • Lack of capabilities, • No clear roles for support functions,	Capabilities are developed in more engaging strategy process when new people are involved in planning. Capability needs are also noticed earlier.

Problems based on internal interviews in literature classification	Possible solutions
• No clear balance between group related tasks and day-to-day responsibilities	Also, in the strategy process roles are defined more detailed and the supported by corporate management. There is need to facilitate cross functional collaboration. Clear time split between day-to-day tasks and running strategic project need to be made to relevant people.
Decision making procedures: • No concrete actions for strategy.	Roadmaps are planned in order to know when important decision need to be made. Roadmaps are then followed to focus attention and actions. Actions are really delegated to someone and clear targets are set.
Strategy development and alignment: • Lack of transparency in strategy formulation and other functions actions, • Lack of prioritization and slow execution when everything is done at the same time	When more people are engaged in the strategy formulation, planning roadmaps and projects transparency will increase. More communication about when certain decisions are made and what were the reasons behind the decisions. The corporation should prioritize even more and communicate the reasons to wider audience. When things are prioritized and planned better the execution will be more efficient when everything is not done at the same time.
Supporting businesses: • Lack of alignment between SBUs and functions • No overall picture of strategy, ambition and actions needed • Lack of leadership and mindset change	In the strategy process the alignment is ensured and then monitored by corporate management. Roadmaps need to guide more actions in lower levels. Overall picture is given to lower levels with communication and interactive planning. Middle managers should take more active role in aligning their operations to corporate strategy. Every strategic project should take care of their own change management. With common ways of working mindsets can start changing.

5.2.2 Action Oriented Corporate Strategy Helps Implementation

Second problem mentioned by the case company does not have concrete process, roadmaps and actions for implementing strategic projects and matching resources based on the goals. Strategy is not seen clear enough to guide actions in every level. Both target groups mentioned that corporation need to define strategic priorities more detailed to guide actions. Benchmark companies stressed the importance of clear strategy and priorities that guide action. Strategy needs to be understandable but still inspirational to get people behind the common direction. Literature also supports the view (Claude, Hanley 2007). Smith (2009) continued that employees need to understand the strategy in order to act and contribute to the strategy implementation through project management.

Based on benchmark strategic targets should be broken into smaller and more easily executable parts. Based on internal interviews corporate strategy should have clear priorities that have measurable targets. Based on the target’s projects are formed to deliver the strategic goals. Figure 21 presents how corporate strategy is turned into projects.

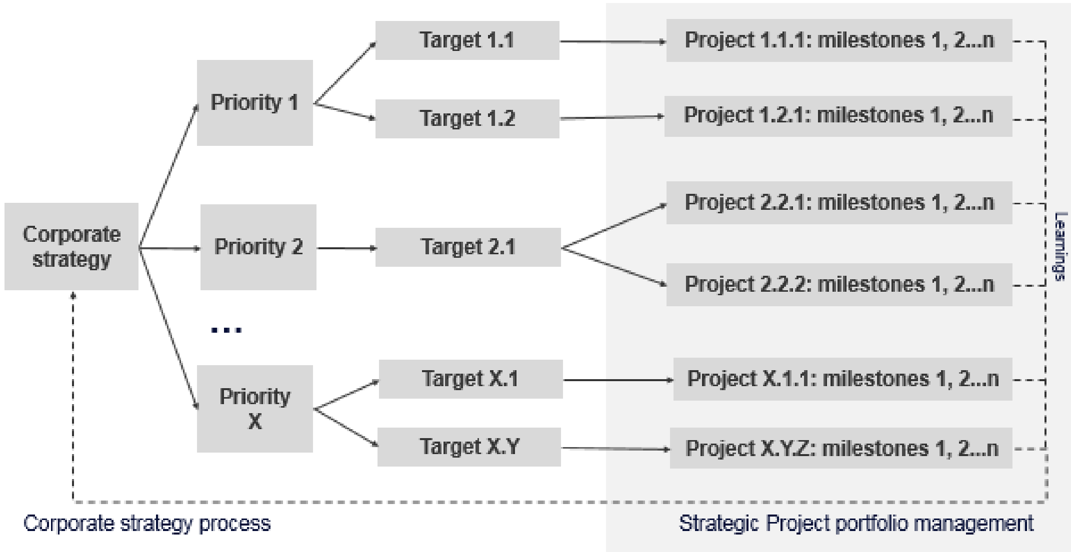

Figure 21 *How strategy links with projects*

Based on current case company strategy there are four strategic priorities. Each of them has around three targets and projects under them. Based on interviews, in the future it is recommended to reduce the amount of priorities, for example into three priorities, as a result the complexity is reduced, and it is more memorable. Reducing the amount of strategic priorities will also help with aligning the actions in SBU level, because then the actions are more focused to the most important issues. After the strategic priorities and projects are defined the next steps is to define targets for SBUs and every level of organization. Interviews stressed the importance of consistency in target setting and top down planning. Targets and plans should be aligned through the organization. Gupta (1987) recommended concrete action plans to improve alignment between corporation and SBUs.

The case company has been lacking behind on colleting and using learnings from strategic projects. Learning feedback loops are very important Based on Patanakul and Shenhar (2012), therefore case company should consider how they are facilitating and using learnings from different parts of strategy process. There should be lessons learned session after every strategic project, like Hyväri (2014) recommended. Therefore, there is a learning loop in Figure 21.

5.2.3 Implementation Structure and Control System for Strategic Projects

There is internal need to get more structure to strategy implementation and the case company understands that is an important success factor like Johnson et al. (2009 p. 238) stated. Based on Homburg et al. (2004) after strategy is defined appropriate organizational choices like structure, processes, systems, rewards and relationship between strategy and organizational dimensions are made. Also, based on internal interviews structure should follow strategy like Chandler (1962) already defined. Corporate managers believe that if the strategic priorities are clear enough the structure for strategy implementation will form itself. Design elements defining the strategy implementation structure and control systems for the case company are presented in Figure 22 and are created based on internal interviews and benchmark findings.

Figure 22 *Case company control system design elements*

These design elements for strategic management that guide creating the control system. Design elements mostly are aligned with literature in Table 9. However, special in consumer goods industry is the brand focus element. The case company has multiple brands and they need to keep their brand identities, but at the same time operate in efficient way cross functionally. This means balance between where brand related decisions are made versus what decisions are made corporation wide. The consumer goods industry focus is also seen in the cross functional and cross competence collaboration. Like mentioned earlier consumer goods industry is very fast changing due to changing consumer trends and companies need to adopt to changes quickly. Also, often NPD processes, new market entries and other development projects are done faster than, for example in technology companies. Therefore, cross functional collaboration is crucial in consumer goods industry and all the functions need to play together towards same goals. These kinds of elements are not broadly mentioned in strategy implementation literature (Atkinson 2006; Smith 2009).

Based on the design elements and workshop one the strategy implementation control structure was formed to fit the case company's current needs, new strategy process and strategic priorities. Figure 23 presents the recommended strategy implementation control structure for the case company. In the recommended structure all important people are interacting with each other, for example SBU leaders and project managers. This recommended system controls over strategy implementation, leadership and operational efficiency like Johnson et al. (2009 p.238) stated. Structure should define decisions rights like mentioned by Neilson et al. (2008), more detailed decisions right and other responsibilities are defined in next sub-chapter. The structure also makes sure that there is alignment of corporate, business and project strategies.

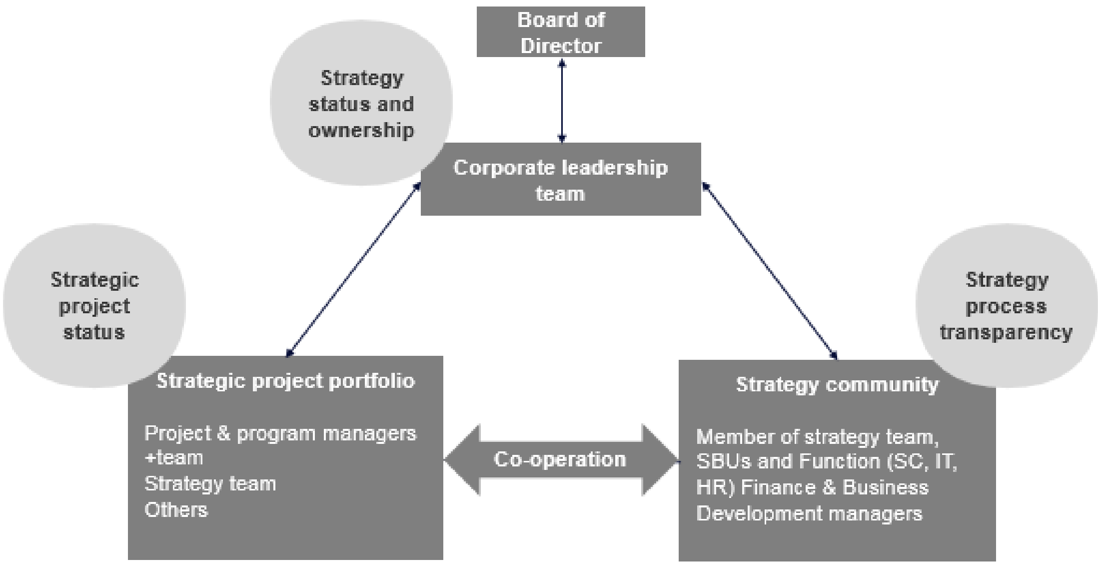

Figure 23 *Networked strategy implementation management structure*

There is a need to facilitate cross functional discussion and keep everyone engaged in the strategy implementation control system, due to the case company complex organization and consumer goods industry specific elements. The case company wants to keep brand identities while getting the scale advantages, therefore strategy community facilitates the link between corporate and SBU and brand strategies. Strategy implementation is managed in a network not in a line organization. This approach answers the second development area mentioned in 5.1 chapter.

In addition, there is a need to create independence for strategic projects to operate efficiently and put into use the new ways of working. Strategic projects need to receive higher level attention from day-to-day work. These new ways of working need a lot of support in the beginning from corporate management. Therefore, project portfolio is responsible for managing the strategic projects, monitoring their progress and deliverables.

Control systems are seen important in strategy implementation through project management based on literature, the case company interviews and benchmark companies. According to, Simons (1994) control systems could be used to building credibility to the new strategy, set boundaries for behavior, measure critical performance and motivate discussions about uncertainties of the new strategy. All the five usages of control systems based on Simons (1994) are seen in case company as well, but the learning part have been lacking behind. Like Atkinson (2006) stated strategic control system brakes long term goals into short term targets and actions. The case company defined the needed control system like Atkinson (2006) definition.

Based on Goold's and Quinn's (1990, p. 55) and benchmark findings, in Figure 6 the case company fits to left upper corner, where control system is valuable, but it should not be strictly administered. According to internal interviewees strategic objectives can be easily specified and measured, but the consumer goods industry is turbulent due to changing needs of the customer, tight competition and saturated markets. Based on A4: "*Project monitoring system should be time-appropriate and not too rigid*." It also fits to the idea that corporation should not add too much bureaucracy and focus more on value adding activities (Johnson et al. 2009).

The case company agrees with Gimbert et al. (2010) statement that performance management is an efficient tool for strategy implementation. Control systems can be used to collect data about current and past performance, but also help to implement strategic change and projects like Micheli and Manzoni (2010) found. In the case company measuring and monitoring the progress and outcome, providing the alignment of operation and strategy, is key element of control and performance management. Like based on Micheli and Manzoni (2010) dialog with corporation management and SBUs should be designed into the measurement system.

Monitoring the performance of strategy implementation can be useful in the next strategy cycle to develop more comprehensive strategic agenda (Gimbert et al. 2010). Based on Gilbert et al. (2010) findings case company's top managers should follow the strategy implementation performance systematically, to be more aware of the needs to re-defining the corporate strategy. Therefore, the case company needs financial and non-financial indicators to monitor the strategy implementation. Based on literature and results on interviews strategic and operational measurement should not be mixed.

In different parts of strategy implementation management structure different KPIs are used. Project portfolio focus more on project metrics like: progress, value delivered, meeting the strategic objectives. Projects should be measured both financial and non-financial measurement like Aubry et al. (2007) stated. This kind of follow up should be done in monthly basis. For every implementation project there is need to define measurements that show the output and progress of the project.

Strategy community instead make sure the strategy process is progressing and decisions are made with right preparation and execution. They measure the progress of strategy by following the key strategic target metrics such as growth, profitability, customer satisfaction and so on. This kind of follow up should be done in quarterly basis or whenever needed. Corporate leadership team controls the overall picture of project portfolio and strategy community. They deal with any deviation in key strategic target metrics. They also set the key metrics based on interaction with both strategy community and project portfolio management.

The third development area was the monitoring and measuring the strategy implementation. Case company wanted to understand how management and control system reflects the company's core business and purpose. Benchmark companies were analyzed in Table 17 and the case company's new system is analyzed in Table 20.

Table 20 *How this strategy implementation practice reflects what the case company is about?*

Strategy implementation control system	Why? How it reflects the company?
Three entities responsible of different things but interacts with each other. Overcomes difficulties in different parts of strategy implementation. Gives enough attention to strategic projects and developing the ways of working. Monitors project progress and value generation and delivering the strategic targets. Communicates the progress to right level. Sets timetables and targets	Company has been more like a holding company but has shifted towards integrated corporation. Corporation office still small but more central management is wanted. Cross functional and cross competence collaboration is still quite new; therefore, it needs support. Responsibilities are shared to SBUs and functions. Due to the accelerating external change speed case company needs to make strategic decisions and implement changes quicker. Change is not fast in siloed organization therefore new kind of structure for strategic management is needed. Actions are happening faster with systematic approach and monitoring. There is need to focus attention with prioritization and monitoring the progress.

5.2.4 Roles and Responsibilities of Strategy Implementation

Third problem in strategy implementation through project management in the case company was misalignment of personal targets with corporate strategy and strategic projects. In addition, there are no clearly defined roles in corporate strategy implementation and project management. Based on literature resource management is critical factor in moving from corporate strategy into project implementation (Hyväri 2016; Lehtonen, Martinsuo 2008; Morris, Jamieson 2005). Therefore, the case company should develop systematic approach for aligning personal targets and bonus systems based on strategic projects´ progress. Employees should feel that they can impact the strategy implementation and have personal interest to act according the new wanted behavior. Like Neilson et al. (2008) mentioned employees bonus systems need to be in lined with corporate strategy to keep them motivated to work for new strategy. One example of developing personal targets setting is more efficient use of the existing HR software and teaching managers how to define targets. The case company took it first steps in 2019 to make common personal targets based on strategy, but there is still a need to improve.

Important based on Hyväri (2016) and benchmark, was to get right people discussing with each other and to have the visibility to success metrics to efficiently manage strategic projects. In order to facilitate the discussion, roles and responsibilities need to be clarified. In internal interviews defining the roles and responsibilities were seen as major factor impacting successful strategy implementation through project management. Based on internal interviews and workshop following roles and responsibilities were defined to match the Figure 23 structure.

Corporate leadership team

Follows strategy status and direction on high level. Monitors project status regularly and handles deviations and issues related to strategic projects**.** Corporate leadership team members act as a project owner. Owners are responsible for project implementation, budget allocations and people involved based on strategy and priorities. They have comprehensive business responsibility, they take care of project managers and sets clear milestones and objectives. This is similar approach than in benchmark company two to ensure strategic projects have enough management attention and support. Literature does not take strong stans on who should be the project owners, but strong management support is seen important in implementation strategy thorough project management (Unger at al. 2012; Kissi et al. 2013).

Strategy community

The community builds a systematic way of working in strategy and plan/recommend for possible actions for corporate leadership team discussion. They monitor strategic project statuses and communicates resource allocation problems to corporate leadership team. SBU Business Development Managers act as coordinator between SBU and case company strategy team to ensure alignment with corporate and SBU strategies. They together plan how corporate strategy is considered in SBU business strategies and investments. They make sure the process improvement does as plan throughout the organization. In addition, they share and communicate the strategy process to wider audience.

Project portfolio

Project portfolio management reports project status and escalates issues to strategy community and corporate leadership team. Portfolio team helps to form project teams, make the project plans and set KPIs for measuring the success of the project together with the project owners. Team help to execute projects based on the project plans. Team has key role in prioritizing and terminating projects based on strategy. They recognize and discuss project dependencies and manages overlaps. They are responsible for developing common templates for project management. This explanation of project portfolio management fits to Martinsuo (2013) explanation: controlling and evaluating multiple project that uses the same resources and have similar strategic goals. The suggested project portfolio management does not select or allocate resources as much as Shenhar (2004), Martinsuo (2013) or Archer (2016) defined PPMs key tasks. Moreover, the corporate leadership team moreover takes responsibility of high-level resource allocation.

5.2.5 Communication of Strategy Implementation

The fourth problem mentioned by the case company was the lack of transparent communication about strategy and its priorities and actions. Based on internal interviews it is important to communicate "*what in it for me*" to every employee and repeat the message multiple times. Senior managers info calls are not enough to deliver message to lower levels. The information flow stops at certain level. Based on Neilson et al. (2008) rights to make decisions should be defined and information flow should be made easy. That means the case company should find more ways to communicate strategy. Best practices from benchmark companies were monthly info calls, videos and interactive sessions.

There is a need for more strategic discussion throughout the organization. More guidance needs to be given for middle managers to help discussing actions related to strategy with their employees. Clear communication guidelines should be made that tell what inform and to who can be shared, for example about the financial information. Common communication templates are help with coherent delivery of the strategic message. Corporation management need to make sure people understand the change required based on the new strategy. For example, interactive sessions can be organized were people can discuss and ask questions related to strategy. In addition, progress of strategic projects can be shared with SharePoint sites and info calls to be more transparent and share success stories.

Benchmark company one had their own organization for implementing corporate strategy. The case company has already established the “Group connectors” for engaging globally more people in different sites to the “*stronger together*” -ideology. The “Group connectors” can be also used to deliver strategic message and interact with various levels of organization globally. The members of “Group connectors” teams can organize smaller scale interactive sessions to help people to understand the strategy and ask questions. This is easy step for improving the communication about the corporate strategy, but the importance of line managers involvement should not be forgot.

Communication needs to happen in every phase of the strategy process to right level. SBU leaders need to be informed how the corporate strategy is evolving in the future so that they can align their business strategies accordingly. Like Neilson et al. (2008) noted, function managers need to have access to metrics that measure their key business drivers. The case company need to ensure that the new wanted behavior sticks and they should start with the low hanging fruits in process implementation, so that people do not get frustrated (Englund, Graham 1999). Kotter (2013) also emphases creating quick wins.

5.3 How Should Corporate Management Lead Their Strategic Project to Deliver Strategic Changes Efficiently?

The case company has not had many corporation wide strategic projects previously but the new approach by the case company focuses on cross competence strategic projects. Based on the Kaplan and Norton (2008), Saunders et al. (2008) and benchmark findings strategic change is delivered with projects. Therefore, managing strategic projects efficiently is important element for case company’s strategic management. Base on Patanakul and Shenhar (2012) project teams and top executives requires mindset shift in transitioning from traditional approach to the strategic approach.

Due to there has been only a few strategic projects in the past strategic project management practices, for example monitoring projects and analyzing project success, have been lacking behind. The case company internal audience wish for more structure and attention for strategic projects. More systematic approach for project management meaning more focused projects, common ways of working and capable project teams. Morris and Jamieson (2005) showed that many other corporations have successfully implemented strategy through structured project management. More detailed suggestions for developing the case company's strategic project management are in following subchapters.

5.3.1 Portfolio Management Part of Delivering the Strategic Change

Strategic project portfolio management is one answer to bring projects closer to corporate strategy and to have more top managers attention for strategic projects. The case company has lacked project portfolio view based on internal interviews. That has caused inefficient resource allocations and not managing capabilities in strategic way. No one has had the responsibility to do strategic project portfolio management in the case company before, therefore no clear guidelines are set for project management. Like Aubry et al. (2012) defined project portfolio helps to translate strategy into projects, create synergies and prepare for the future capability needs. The case company can use the Turners (1999) framework in Figure 9 from moving from corporate strategy to single project strategy. Portfolio management helps to better align corporate strategy and actions in SBU and function level, like Aubry et al. (2012) mentioned.

Strategic project portfolio was already established part of strategy implementation management structure in subchapter 5.2.3. There is a need to define responsibilities between corporate wide strategic project portfolio management and already existing functions´ PMO structure. In the new recommended model project management is done in two level depending on the project objectives. In this thesis focus is on strategic projects, but also the other projects are important to understand because they compete with same resources. Strategic projects split into smaller streams that are managed by SBUs or functions like presented in Figure 24.

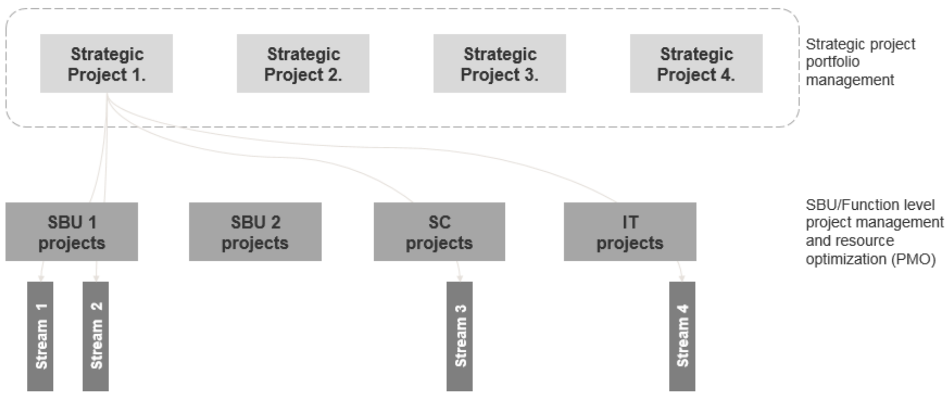

***Figure 24** Link between strategic project portfolio management and SBU level project management*

Strategic project portfolio management team or person is recommended to the case company to do the portfolio management tasks. Strategic project portfolio team manages resources in high level and develops project management capabilities. SBU/Function level project management are more operational, but it still there needs to be formal interaction. They manage overlaps, optimize resources and execute tasks. There is no need to appoint new person for function level interaction the SBU and function level PMO managers take the responsibilities.

This kind of structure will increase visibility between SBUs and functions and make the information sharing easier and more forced. When the roles and responsibilities of project portfolio management are defined, the guideline setting and support for single strategic projects will get easier. Project will receive needed attention from top management when someone is managing the overall picture. Based on Curlee (2008) trust is crucial in portfolio management and it can be built with communication, face-to-face meetings, and senior executive support. Unger et al. (2012) also mentioned senior managements involvement in project termination.

Corporate leadership team wants to follow strategic projects only on status level. Therefore, portfolio team needs to prepare the materials for corporate leadership team meetings, analyze project dependencies and cause-effect relationships. With this kind of interaction, the case company can make faster decisions. Recommended tasks for strategic portfolio management in Table 21 based on literature classification.

***Table 21** Strategic project portfolio management tasks based on interviews and literature*

Key tasks of strategic portfolio management	Characteristics
Link between corporate and project strategies	Ensure project objectives are in line with corporate strategy. Set roles and responsibilities between group and SBUs with interaction.
Analyzing project dependencies and overlaps	Form a list of ongoing and upcoming projects and analyses what needs to be done first, what can be done parallel and how to get best synergies.
Resource allocations	Make list of possible project managers and project team members. Interact with their manager to analyses the workloads.
Monitoring and share information	Preventive monitoring to ensure that issues are discussed early enough. Share information what projects are ongoing and are they on track.
Develop capabilities	Capable project managers are crucial element in project success. Organizes trainings for project teams and project managers. Job rotation to ensure motivation and learning.
Set guidelines	Common ways of working in project management. Common templates and ways of reporting

Common ways of working in project management was mentioned multiple times in internal interviews by target group two. There should be common ways of working in strategic project management, meaning harmonized templates and project methods. Common templates and guidelines for project management, portfolio management and status reporting should be developed and implemented globally.

5.3.2 Choosing Projects and Clear Target Setting

Based on the internal interviews prioritizing the projects is very important to focus attention to right kind of activities. There was common understanding that the case company has too many no-strategic projects ongoing and they are either in conflict with strategic objectives or they have overlapping activities. Like Martinsuo and Lehtonen (2017) mentioned project prioritization tells what the corporations is doing and what not doing. Management shows support towards strategic projects by prioritizing them and setting them reasonable targets. Project that do not fit with corporate strategy should be terminated like Unger et al. (2012) recommended.

The case company should not have too many projects in the beginning, for example five strategic project ongoing would be suitable. Recommendation is based on the case company little experience with strategic projects, resources and benchmark findings. When strategic project management practices are more establish the case company can increase the number of strategic projects ongoing. Project selection and prioritization should be done together with corporate leadership team and project portfolio management. The evaluation methods for project prioritization need to be decided in the case company.

Based on internal interviews there are many projects with unclear objectives and scope. Based on internal interviews and Fortune et al. (2011) in the case company all projects should have clear start, ending and objectives, in other words the scope needs to reasonable. When the project scope, resources and other critical elements are defined projects need to be split into success gates, quarterly targets and measurements. Patanakul and Shenhar (2012) remind that understanding the value gained from the strategic project can help to motivate project team to work more efficiently.

Interview results show that strategy implementation is difficult when the project objectives are not aligned with corporate strategy. Based on Alsudiri et al. (2013) misalignment can restrict achieving the strategic targets. There is a need to better align strategic project to corporate strategy. Shenhar (2004) introduces project strategy as the missing link between corporate strategy and project. The case company should also support Alsudiri´s et al. (2013) internal factors that tie project strategy into corporate strategy. Internal factors were: communication, management support, project managers involvement in corporate strategy development and project managers capabilities (Alsudiri et al. 2013).

5.3.3 People Involved in Strategic Project Management

After the projects are prioritized the case company should focus on developing project management capabilities. Based on Patanakul and Shenhar (2012) project managers need to understand the strategic business aspects of their project and not only focus on meeting the time, budget and performance goals. Therefore, project management capabilities need to be developed like internal interviews suggested. Project management capabilities can be developed with trainings and job rotations based on internal interviews. Portfolio management team together with HR should be responsible of developing enough good project managers to run big cross functional strategic projects. In an international organization the project management need to be international as well, same leadership and structures (Calabrese 2013).

In internal interviews resource allocations and capabilities received a lot of attention. The case company should make sure that there are enough people to do the projects, because often there are too many projects for only few people to run (Englund, Graham 1999). Based in internal recommendations new people should be engaged with strategic projects. In project team half of the people should be junior and around half be senior leaders that can guide project to the right direction. Then project management skills are developed to the junior employees and the resource allocation for the more senior people will get easier when they do not need to do the simple operative project work anymore.

To keep strategic project management practices simpler the steering group for strategic project can be the corporate leadership team. Steering group in other words corporate leadership team should have the time and effort to investigate the topic of the strategic project in order to understand the cause-and-effects of the decisions. At the end corporate leadership team is the higher decision-making body related to corporate strategy and strategic projects, therefore the steering group responsibilities fits the corporate leadership team tasks.

5.3.4 Implementing and Monitoring Strategic Projects

Implementing the strategic project need disciplined and persistent work from various levels of organization. Therefore, focus for the implementation work is kept with ambitious but reachable objectives, systematic monitoring and support from management. Project execution has been slow due to various reasons, but these problems need to be first tackled by the project portfolio management. Like mentioned earlier monitoring the strategic projects focus attention to right actions. Also, according to Hariz (2015) coordination, monitoring and control functions are increasing their importance in project management. It is important to make the project plans and roadmaps right in the beginning, because input for performance reporting comes from project plans and other work results (PMI 2000).

Consumer goods companies are not project based companies, therefore big strategic projects are not self-evident way of working. Consequently, strategic projects need more support in many ways. The case company should start the monitoring the strategic projects from the basics. Then when the practices mature new tools and techniques can be introduces, for example EVM and trend analysis introduces by Acebes et al. (2014). Also, Shenhar (2004) recommended to start with pilot unit when implementing new strategic project leadership.

Measurements should be defined individually to every strategic project based on benchmark findings, Aubry et al. (2007) and Vanhoucke (2019). Measurement should be both financial and non-financial according to Aubry et al. (2007) as well as numeric and non-numeric based on benchmark. In strategic project it is important to measure the meeting the strategic objectives as well as traditional scope, schedule and costs. Recommended measuring system is presented in Figure 25.

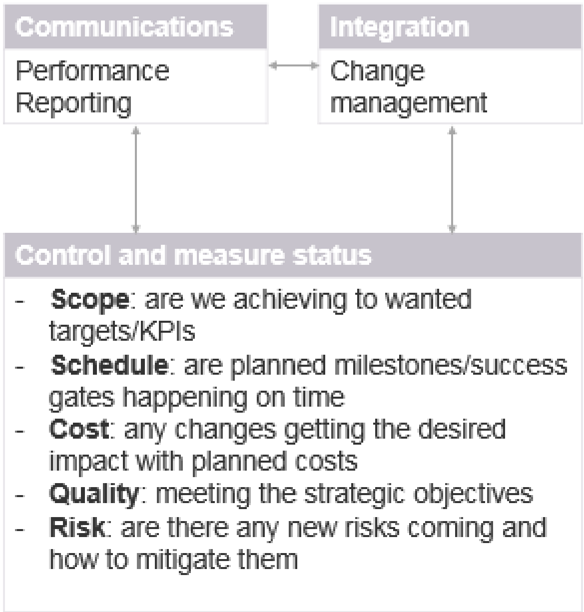

***Figure 25** Recommendation for coordinating and monitoring strategic projects in the case company (modified from PMI 2000 based on empirical findings)*

Like PMI (2000) mentioned performance reporting involves collecting and analyzing strategic projects performance data such as in Figure 25. The performance status reporting and communication is done to project steering group. Change must take place by monitoring the performance not just following it. The case company should have the courage to make changes in the project implementation phase if progress is not in wanted level according to minority of both target groups and Vanhoucke (2019). Outputs for the Figure 25 integrated change management -phase are the project plan updates, improvement suggestions and lessons learned (PMI 2000). Every strategic project should have detailed communication and change management plan based on the case company senior managers. The tools are already available inside the case company. Therefore, making communication plans should be easy first steps to improve communication in strategic project management.

In this thesis, the focus has not been in project ending and learning, due to both target groups being more focused on building structure and systematic ways of working. But the case company should remember that ending the projects and seeing the final results are important element of project management according to Artto et al. (2008).

Hyväri (2014) emphases that the learnings from strategic projects can be used to further develop corporate strategy. And Shenhar (2004) stated that after every project there should be lessons learned session. Lessons learned sessions should be easy for case company to implement and it should have good impact.

5.4 Development Plan for the Case Company

Every company context is different due to industry, history of the company and strategy. Therefore, there is no comprehensive strategy implementation model that can fit all companies. From literature we can find key design elements of strategy implementation system, see what the common problems are and learn for example how other companies are implementing their strategy. Table 22 presents the case company specific problems in strategy implementation through project management and recommended solutions for them.

Table 22. *Possible solutions for problems in the case company*

Problems in the case company	Solution
1. Lack of structure in strategy implementation projects, and monitoring that ensures cross functional collaboration, resource allocation and managing overlaps and capabilities.	Strategy implementation is already planned in formulating the strategy phase. Overall more structured and top down way of implementing strategy. Follow up should be consistent in done in Figure 23 way. Corporate management needs to facilitate the interaction between SBUs and functions. Resources are allocated based on the strategy.
2. Not having concrete processes, roadmaps and actions for implementing strategic projects and matching resources based on the goals.	Focus on a few key strategic projects. Terminate all the projects that do not fit with strategy. Form roadmaps, targets and projects based on the strategy. Strategy community is responsible for strategy process transparency. To every strategic project define measurements that measure the output and progress of the project. Measure meeting the strategic objectives. Lessons learned sessions after every project.
3. Personal targets and plans are not aligned with corporate strategy and strategic project goals. No clearly defined roles in group strategy implementation and project management.	Engage more people in formulating the strategy and planning the strategic projects. Targets and plans are aligned through the organization. Senior leaders should be more active in communicating the strategy to their own teams. People should have personal interest to act according to strategy. Reward based on success of the strategic project. Set weekly time split between strategic projects and day-to-day work.
4. Lack of transparent communication about strategy and its priorities and actions to every level.	Strategy cycle is communicated to wider audience and reasons behind decisions are communicated. Message is repeated multiple times. Make sure people understand the changes with feedback forms Q&A sessions. Engage the “Group connectors” to deliver strategic message and they can organize small scale

Problems in the case company	Solution
	interactive sessions. Make a SharePoint site for sharing information about the progress of strategic projects. More networked culture to deliver results in cross competence teams. Change management is done in every implementation project. Common templates are used throughout the organization.

The solutions in Table 22 mostly relate to three development areas already mentioned in chapter 5.1. Earlier in chapter 5.2 Figure 19 it was found that the most important enablers of strategy implementation were to have people involved, then strategic content and then the structure. These affect the ways of working in strategic management. The ways of working then impact the strategy implementation. Strategy implementation needs to consider: alignment of strategy and actions, focus on cross functional projects and monitoring the strategic projects. The findings of the study are presented in Figure 26 leading strategic change through projects -framework.

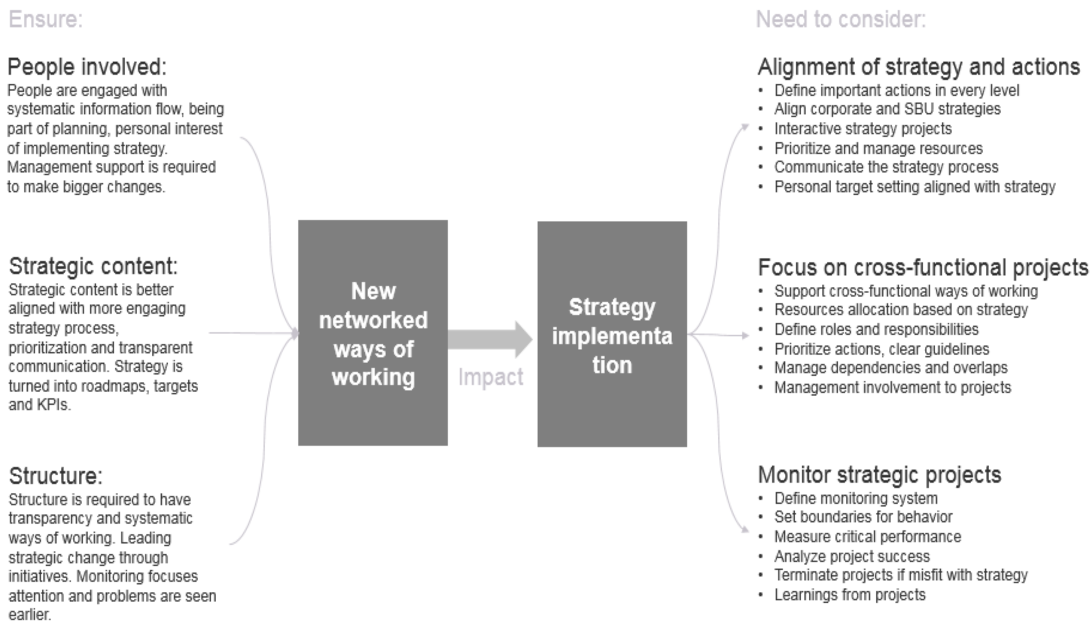

Figure 26 *Leading strategic change through projects in the case company based on the findings of the study*

Figure 26 summarizes the main points of the study to the leading strategic change through projects -framework. The framework is developed for the case company by forming literature classification and fitting the case company problems to the classification. Then best practices from benchmark and literature were used to come up with solution ideas. At the end the development area was noticed by categorizing the solution ideas. Another finding was that strategy is implemented with a network structure not only in line organizations.

The study can be summarized into a question: *How should the case company, considering the current state and strategy, lead its strategic change through projects*? The answer is not simple due to complex nature of strategic management, implementing change and strategic project management. Based on this empirical research, one answer is a networked management system for managing the strategic change with strategic projects.

The network structure, presented in Figure 23, brings right people discussing with each other and together they align strategy and operations. They define the priorities and communicate the decisions to the organization. Strategic project portfolio management team manages strategic project dependencies, resource allocations and develops capabilities according to strategy. Monitoring and portfolio management brings right kind of attention to strategic projects to ensure efficient execution of strategic projects. Strategic projects are monitored by meeting strategic objectives and possible corrective actions are made as early as possible. Strategy related information flow should be more efficient by using multiple communication methods, for example, interactive strategy sessions, monthly calls and videos. Strategic targets are aligned throughout the organization and all the employees should understand their input for corporate strategy. First thing the case company should do, in the field of project management, is to find all projects ongoing, categorize them and prioritize based on strategy. After the prioritization the case company should harmonize project methods, for example reporting templates, resource allocation tools and steering group meeting notes.

Now when the change speed of the business environment is getting faster and faster, the strategy implementation also needs to be more efficient. With networked ways of working in strategic management, especially in strategy implementation, corporation can face the changes more quickly and have competitive advantage. Therefore, this study is relevant and current for the case company, but also for other consumer goods companies.

6. CONCLUSIONS

6.1 Achieving Objectives and Importance of Results

The study had three objectives. The first objective (1) was to find how corporate management implements strategy through managing strategic projects in a consumer goods industry context. It was fulfilled in Chapter 5, where a development plan for the case company was recommended based on literature and interview results. Key findings were aligning targets throughout the organization, giving attention for strategic projects at a high level, engaging more people cross functionally, and monitoring strategic projects.

The second objective (2) of the research was to create a framework for monitoring the strategy implementation and strategic projects. In Chapter 5, a strategy implementation control structure was presented in Figure 23. Monitoring corporate strategy at a high level is done in the corporate leadership team, a project portfolio manager monitors strategic project progress, and the strategy community makes sure the strategic targets are aligned throughout the organization. It is important to measure how the strategic project is meeting the strategic objectives as well as the traditional scope, schedule and costs.

The third objective (3) was to define clear roles and responsibilities for corporate strategy implementation and monitoring. Both literature and interview results stressed the importance of clearly defined roles and responsibilities. Roles and responsibilities were discussed in Chapter 5 and justified based on corporation complexity, size and strategy so that all important people are discussing with each other. In a complex organization in consumer goods, a company's clear ownership and networked ways of working are crucial. There should be balance between day-to-day work in line organization and cross functional strategic projects.

The case company has evolved from a purely holding company to an integrated consumer goods company in about the last ten years, therefore there have been many changes in the ways of working. Still, the strategy process and strategy implementation have not been modified to fit the new corporate management role. Therefore, this study brings clarity and guidance for the case company as to which direction they need to go to develop their strategy implementation process and strategic project management.

The development plan for the case company does not solve anything. There is still a lot of work ahead to develop the communication and project management practices in the case company. There is still a lot of work to implement the new structures and roles and responsibilities for the recommended strategy implementation practices. This study was more like a preliminary study about the case company's current state, best practices in benchmark firms and literature, and future improvement needs, rather than an actual implementation manual.

In today's fast-changing environment, companies need to constantly develop their ways of working, process and communication. Efficient strategy implementation is crucial for any company, especially in the consumer goods industry. Strategic projects make corporate strategy implementation more flexible and cross functional. Therefore, findings of the study are very important and current for the case company.

6.2 Academic Contribution

In slightly different industries, different elements are important. In the consumer goods industry, the speed of strategy implementation and need for cross functional development are important elements. There have been very limited empirical studies on strategy implementation and project management in a branded consumer goods industry context. This study brings new understanding of what elements to consider in corporate strategy implementation through strategic projects. This study can be used as example of strategy implementation practices in the consumer goods industry. Findings can still be exploited to other industries. Also, this study focused on corporate strategy, not business strategy. Therefore, the study helps to understand the strategy implementation in wider perspective.

This thesis found similarities, for example, with Goold and Quinn (1990), Kaplan and Norton (2008) and Saunders et al. (2008) frameworks. Similar factors affecting strategy implementation and project management were found in the case company, but still, new viewpoints such as structure for cross functional collaboration were introduced. In addition, the scope of the study was larger than most literature articles, including an empirical part, not just a literature review. Empirical research methods combined both case company interviews and benchmark interviews to have wider perspectives on the topic.

6.3 Practical Implications for Other Companies

Strategy implementation is difficult, but structure and projects will help manage the chaos. Build structure for strategy implementation projects that fit to the complexity of the organization and then define the roles and responsibilities. Companies should engage employees cross functionally as much as possible in strategic planning and implementation. Strategic projects and day-to-day operations should be kept separate to focus attention and resources.

For any company, strategy should be concrete so that it is easily turned into actions. Defined objectives, measurements and roadmaps help tell the strategic message and behavior needed to many levels of the organization. Strategic projects should be measured by how they meet the strategic objectives as well as their scope, schedule and costs. It is important that employees on every level understand their impact on the corporate strategy. That is done by aligning target, operations and measuring systems.

Strategic projects should be managed in cross competence and cross functional teams that are formed based on the strategic objectives. Projects are a flexible and efficient way of implementing corporate strategy. Project portfolio management helps to see the overall picture of multiple strategic projects. Portfolio management should also manage dependencies and overlaps and develop capabilities to ensure efficient use of resources.

All companies should remember that there is never enough communication. Communication about strategy implementation and strategic projects should be transparent and well planned. A stakeholder communication plan is a good way to plan the needed communication for different stakeholder groups.

6.4 Limitations of the Research

This study was conducted on a Finland-based consumer goods company. The consumer goods industry has certain special characteristics introduced in this thesis. Therefore, recommended strategy implementation practices cannot be copied to other industries, for example, IT companies. Some best practices still can be used in other industry contexts.

In the empirical section, qualitative data was mostly used. Target group one had a sample size of 7 and target group two had a sample size of 12. The sample size in internal interviews increased the reliability of the study, due to all functions from the organization where presented. However, the limited number of workshop participants had a negative effect on the reliability of the study, due to the fact that the findings of the case company perspective were only two people's opinions. Four benchmark interviews deepened the understanding of strategy implementation and project management in different contexts. Benchmark companies were from different industries, which is a limitation of the research. Interviews where mostly held in Finnish; therefore some original meanings of quotes might have been lost.

These recommendations are based on current understanding of the case company and literature. The case company still needs to analyze the fit of the recommendations and the concrete action steps towards changes. The study does not take a stance of recommending tools for portfolio management; the case company needs to analyze what kind of tools to use based on its own progress and need.

Unfortunately there is no time to see the case company's progress on the recommended strategy implementation control system and its performance during the research process. Implementation of the recommended system the is case company's responsibility.

6.5 Proposals for Further Research

Due to the complexity of strategic management practices, there are always new things to research. This thesis is not able to tackle all the problems even mentioned in the results part. Even more findings and interesting topics can be raised to discussion from this research and the empirical material. Therefore, further research proposals are recommended:

- **How should strategic targets be aligned throughout the complex organization?** Target setting based on strategic targets and roadmaps was a major element in effective strategy implementation based on empirical data. It would be interesting to find what are the best ways of aligning the targets in a complex organization.
- **What are the elements that need to interact in a strategy implementation network?** There is some research about strategy implementation networks, but it would be interesting to understand the drives behind the networks. In addition, it would be interesting to see if they are organization- and industry-specific.
- **What are the key tasks of strategic project portfolio management?** This study did not go into details as to what tools and practices strategic-level project

portfolio management should use. It would be interesting to investigate that in the consumer goods context.

- **How can learnings from the strategic projects be used in strategy formulation?** The thesis did not go into detail about how learnings are collected and used from strategic projects. For sure, there is a lot of important knowledge generated during strategic projects. It would be interesting to further research how to best use the knowledge.

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APPENDIX A: INTERVIEW STRUCTURE INTERNAL TARGET GROUP 1

Corporate governance:

- What is the group role at the moment and how it is developing in the future?
- How capabilities are managed in group level?

Corporate strategy:

- What is the group strategy process? Time cycle? How is involved?
- How different SBU and functions are involved?
- How strategy is translated to SBUs and functions? What are the special features of your organization?
- What are the major issues at the moment in achieving the strategy?
- How do you know strategy has been successful?

Strategy implementation:

- How strategy is implemented?
- What are the most important factors in strategy implementation?
- What kind of tools you use? What tools you would need?
- Does organizational structure support the current strategy implementation?
- How implementation is measured?
- How to best manage people to implement strategy?
- What you have learned in strategy implementation? What you would to differently?
- Are learnings collected somewhere?

Corporate strategic project portfolio:

- How did you find these strategic projects?
- How strategic projects can be better managed? What should we improve?
- How steering should be managed?
- How projects success is measured?
- How projects are prioritized? What parameters?
- What are the most important factors in project portfolio management?

APPENDIX B: INTERVIEW STRUCTURE INTERNAL TARGET GROUP 2

Personal questions:

What do you do? What is your organization?

How often your tasks relate to hole group or just your function?

What are the major issues in everyday work or in the organization?

Topic questions:

Reseach questions:	Internal interviw target group 2 questions:		
1. How can corporate management best lead and monitor implementation of corporate strategy?	Corporation management		How do you define group role and main tasks? What kind of support you get from group central management? What is needed in the future? How independed functions are?
	Corporation strategy to business strategy	Formualte	Do you understand the group strategy and can you link it to your everyday work? Are you part of strategic discussion in your function? Give examples of function specific strategy discussion? How do you translate the group strategy into your organization strategy? Roles and responsibilities? How do you turn your strategy into projects/initiatives, give examples? How do you define the priorities? Is there anything you would change in decision making process/ strategy process? Do you have enought resources/capabilities to do deliver strategic targets?
2. How should corporate management lead their strategic project to deliver strategic changes efficiently?		Implement	What is the most important things in your strategy implementation? What has went wrong what well? What do you need to improve strategy implementation?
	Corporate strategic project portfolio	Manage strategic portfolio	How do you do portfolio management? How to prioritize projects? How do you ensure strategic projects have enough resources? Have you /anyone documented learnings from the projects? Shared best practices? How to manage overlaps? What can be inproved? How?
		Manage single strategic project	How do you run big transformative projects? Give examples What are the most crusial factors in order to succeed in important projects? What kind of support needed for project management? How do you define project type, goals and team etc.? Have you had any problems in group wide strategic project management? What need to change? What has went wrong in bad project?

APPENDIX C: BENCHMARK STRUCTURE

<table>
<tr><th>Research questions:</th><th colspan="3">Benchmark questions:</th></tr>
<tr><td rowspan="2">1. How can corporate management best lead and monitor implementation of corporate strategy?</td><td>Corporation management</td><td></td><td>How do you plan your business activities etc. find customers and markets?
How do you allocate resources to right activities?
How you define organization stucture? How independent are different funtions? What is the corporate role?
How strategic decisions are made?
How participate in planning, resource allocation and defining the structure?
How do you coordinate collaboration between functions?
How do you control and track your activities and performance?</td></tr>
<tr><td rowspan="2">Corporation strategy</td><td>Formualte</td><td>What kind of strategy process you have? Roles and responsibilities?
Are SBUs part of the strategy formulation process? Function roles in strategy formulation?
What is the cycle of strategy process? How often you shape the strategic targets?
How do you prioritize priorities? What are the metrics?
How do you turn your strategy into concreate action?
What has went well and what needs to be improved in the strategy process?</td></tr>
<tr><td rowspan="3">2. How should corporate management lead their strategic project to deliver strategic changes efficiently?</td><td>Implement</td><td>How do you implement strategy?
What are the most important things in you strategy implementation?
What has went well and what to improve?
What are the roles and responsibilities in strategy implementation?
How do you control and track strategy implementation?
How do you communicate the strategy?
How do you ensure that everyone in the organisation understand the strategy and can link it to their work?</td></tr>
<tr><td rowspan="2">Corporate strategic project portfolio</td><td>Manage portfolio</td><td>How do you manage strategic project portfolio?
How many projects you have on going?
How do you choose and prioritize projects?
How do you steer/monitor projects?
How do you resource projects?
Has somethings been deliberately cut of not not done?</td></tr>
<tr><td>Manage single project</td><td>What has made your strategic projects successful? What were the major factors?
How do you define project structure?
What are the major milestones and measurements?
What have you learned by running strategic projects?
What things to improve?</td></tr>
</table>

APPENDIX D: EMPLOYEE ENGAGEMENT SURVEY RESULTS 2018

	Item	Valid N	% Fav	% Neu	% Unfav	Distribution	% Fav vs Comparator: Trend 2017	% Fav vs Comparator: Consumer Goods (Norm)
◊	**Employee Engagement**		**72**	**18**	**10**		-1	3 *
◊	**Clear and Promising Direction**		**75**	**19**	**7**		-3 *	-3 *
3.	I have a good understanding of strategic priorities and goals.	5,851	74	18	8		-4 *	-4 *
4.	I believe that has the right strategic priorities and goals.	5,821	68	24	8		-5 *	2 *
5.	I understand how my job contributes to ' strategic priorities and goals.	5,888	80	15	5		-2 *	-3 *
19.	I have the opportunity to help my organization operate in a responsible way (Operating ethically and with respect for the human rights and environment)	5,837	78	17	6		-2 *	-5 *

APPENDIX E: THE CASE COMPANY'S OLD STRATEGY CLOCK